

January 21, 2000

Dear Prospective Offeror:

INVITATION FOR BID OF DELIVERY GAS FOR ROYALTY GAS (IFB MMS-RIK-2000-GOMR-002): HIOS/UTOS, STINGRAY, ANR, PELICAN, AND TRANSCO N. HIGH ISLAND PIPELINE PROPERTIES

The Minerals Management Service (MMS) of the US Department of the Interior, is soliciting bids for the auction of natural gas taken in kind as Federal royalty (Royalty Gas) from Federal offshore leases in the Gulf of Mexico for natural gas (Delivery Gas) to be delivered to an onshore location. The period covered by the Royalty Gas auction will be for seven months, commencing with the initial delivery on April 1, 2000.

The Contractor will be required to take the full amount of Royalty Gas for which bids have been accepted over the contracted delivery period at the Facility Measurement Point(s) specified in Exhibit A of this Invitation for Bid (IFB). The Royalty Gas provided to the Contractor will be in marketable condition and will be unprocessed. The Contractor will be granted rights to any natural gas liquids in the unprocessed gas stream. The Delivery Gas provided to the Government or its designated agent is required to meet pipeline specifications at the delivery point(s).

Under this solicitation, the MMS will consider offers for the auction of up to 280 million cubic feet of natural gas per day. Only pre-qualified companies may bid in this auction. Please refer to Exhibit C of this solicitation to learn how to prequalify. The closing date for receipt of offers is February 18, 2000, at 1:00 p.m. Eastern Time and four (4) copies should be provided. Offers are to be addressed to:

Attention: Michael Del-Colle, Contracting Officer
U.S. Department of the Interior
Minerals Management Service
381 Elden Street, MS 2500
Herndon, Virginia 22070-4817

This solicitation does not commit MMS to award contracts for auction of Royalty Gas. Offer preparation costs as a result of this solicitation will not be borne by MMS.

Thank you for your interest. Should you have questions regarding this solicitation, please refer to the contact information in the solicitation.

Sincerely,

Michael Del-Colle
Contracting Officer

INVITATION FOR BID (IFB)
IFB #MMS-RIK-2000-GOMR-002

(HIOS/UTOS, ANR, STINGRAY, TRANSCO N. HIGH ISLAND, PELICAN)

INVITATION FOR BID
OF DELIVERY GAS FOR
ROYALTY GAS

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SECTION A - SOLICITATION

A.1. Introduction

The Minerals Management Service (MMS) of the U.S. Department of the Interior is soliciting written offers for the auction of Royalty Gas produced from Federal offshore leases in the Gulf of Mexico for Delivery Gas to be delivered to selected nearby onshore locations. The closing date for receipt of offers is February 18, 2000, at 1:00 p.m. Eastern Time.

The Royalty Gas available to the Contractor will be the Government's share of production from the Gulf of Mexico Federal leases identified in Exhibit A.

Offers will be accepted on a competitive bid basis. The Delivery Gas shall meet the specifications in Section A, and will be delivered to the Government at one of three onshore delivery points, where MMS will take title to the Delivery Gas.

Initial deliveries of Royalty Gas to the Contractor will commence April 1, 2000. The Royalty Gas delivery period will be for a term of seven months ending October 31, 2000.

A.2. Description

This solicitation is an invitation to Offerors to take title to the royalty share of natural gas produced from selected Federal leases in the Gulf of Mexico in consideration for natural gas delivered to the Government's accounts at one or more of the specified delivery points. The Contractor will take delivery of and title to the Royalty Gas at the applicable Facility Measurement Point (FMP) meter, identified in Exhibit A.

The Royalty Gas is being offered via two bid options: 1) bidding by pipeline package: bids for Royalty Gas from all FMPs identified in Exhibit A for a pipeline system; and 2) package bidding on Royalty Gas from all FMPs on each of the five pipeline systems identified in Exhibit A. The offers shall be submitted as a ratio between the volume of Delivery Gas delivered at the Onshore Delivery Point (ODP) and the volume of Royalty Gas accumulated by each or all involved pipelines.

The pipeline systems to which the Royalty Gas is connected are: 1) HIOS/UTOS Pipeline(s); 2) Stingray Pipeline; 3) Transco North High Island System; 4) Pelican Gas Gathering System; and 5) ANR Nearshore Louisiana Pipeline (Grand Chenier Plant Southwest to HIOS/UTOS).

The specified delivery points for Delivery Gas are:

- 1) The ANR Louisiana Pool (ANR SE Headstation)
- 2) The NGPL LA Pool
- 3) Transco Gas Pipeline: Station #65

A.3. Definitions

As used throughout this solicitation, the following terms shall have the meaning set forth below:

- a. "BTU" means one (1) British Thermal Unit, and is defined as the amount of heat required to raise the temperature of one pound of water from fifty-nine (59) degrees Fahrenheit to sixty (60) degrees Fahrenheit at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia). Total BTUs shall be determined by multiplying the total volume of gas delivered times the gas heating value expressed in BTUs per cubic foot of gas as adjusted on a dry basis.
- b. "Contracting Officer (CO)" is a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes an authorized representative acting within the limits of his or her authority, as delegated by the CO, except as otherwise provided in this contract.
- c. "Contracting Officer's Technical Representative (COTR)" is that person named to administer day-to-day technical contracting matters.
- d. "Cubic feet" is that amount of gas which will occupy a volume of one (1) cubic foot of space when held at a base temperature of sixty (60) degrees Fahrenheit and at a pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute (psia).
- e. "Day" means that period of time consisting of twenty-four (24) consecutive hours beginning at 9:00 a.m.
- f. "Delivery Gas" means that gas, which is being provided to the MMS in exchange for Royalty Gas received from the MMS.
- g. "Delivery Point" means the point at which Delivery Gas is made available to the MMS.
- h. "Facility Measurement Point" means the point of royalty determination approved by MMS. It is the point at which the Royalty Gas is made available and title is transferred to the Contractor.
- i. "Force Majeure" means an inability to perform under the contract due to factors beyond the control of either party, as further defined in Section A.13.
- j. "Government", unless otherwise indicated in the text, means the United States.
- k. "Gross Heating Value" means the heat in BTUs produced by the complete combustion of a cubic foot of gas under standard conditions, at constant pressure, with air of the same temperature and pressure as the gas where the products of combustion are cooled to the initial temperature of the gas and air and where water formed by the combustion is condensed to a liquid state. Standard conditions for measuring the gas shall be sixty (60)

degrees Fahrenheit and fourteen and seventy-three hundredths (14.73) psia. The resultant BTU content determined above shall be corrected to reflect actual water content of the gas at the Point of Delivery.

- l. "MCF" means one thousand (1000) cubic feet of gas.
- m. "MMBTU" means one million (1,000,000) British Thermal Units or BTUs.
- n. "MMS" means U.S. Department of Interior, Minerals Management Service/Government.
- o. "Natural gas" means a mixture of hydrocarbons, primarily consisting of methane that existed in the gaseous phase in natural underground reservoirs and remains gaseous at atmospheric pressure after passing through surface separating facilities and is marketed or used as such.
- p. "Offeror" or "Contractor" herein means individuals, corporations, partnerships, or Government entities making written offers under this IFB.
- q. "Onshore Delivery Point" means the designated location for receipt of delivery gas onshore.
- r. "Onshore Delivery Point Quantity" means the amount of gas the Contractor shall deliver each day during the term of this Contract to the MMS, or its designated agent ("Agent") at the ODP.
- s. "Operator" means the entity engaged in the business of drilling for, producing, or processing gas or other minerals.
- t. "Residue gas" means that hydrocarbon gas consisting principally of methane resulting from processing gas.
- u. "Royalty Gas" means that portion of natural gas produced from or attributable to the properties listed in Exhibit A of this document to which the Government is entitled as the royalty percentage of the production.

A.4. Receipt and Delivery Obligations

Deliveries and Receipt Obligations at the Facility Measurement Point. The MMS owns natural gas produced from Federal offshore leases specified on Exhibit A hereto ("Royalty Gas"). The operators of those leases ("Operators") monitor and control the flow of Royalty Gas and are required to deliver Royalty Gas in accordance with the letter attached to the IFB as Exhibit D. The MMS shall cause the Operators to deliver Royalty Gas to Contractor at the applicable Facility Measurement Points ("FMP") identified on Exhibit A. Contractor will use the receiving pipeline system of its choice at the applicable FMP ("Transporter") to transport the FMP quantity. The MMS shall cause the Operators to nominate and schedule the quantity of Royalty

Gas for delivery to Contractor at the applicable FMP based on the Operators' good faith estimate of Royalty Gas flows from each applicable lease during the following month ("FMP Quantity"). The MMS shall cause the Operators to effect such nominations and scheduling and communicate them to Contractor no later than 8 calendar days prior to the first day of the calendar month during which Royalty Gas is to flow hereunder. Subject to normal production variances and the other provisions in this IFB, the Operator shall deliver and Contractor shall receive the FMP Quantity each day at the FMP throughout the month.

Deliveries and Receipt Obligations at the Onshore Delivery Point. Subject to the other provisions in this Contract, each day during the term of this Contract, Contractor shall deliver a constant amount of Natural Gas equal to the accepted bid multiplied by the FMP Quantity to the MMS, or its designated agent ("Agent") at the ODP. This quantity of Natural Gas shall be referred to as the "ODP Quantity".

A.5. Contractor Liability for Offer Value of Royalty Gas.

Notwithstanding contract termination pursuant to E.3, the Contractor shall be liable for the offer value of one hundred percent (100%) of the Royalty Gas made available to it by Lessees, including gas made available to but not taken by the Contractor. Administrative costs and other expenses the MMS may incur as a result of obtaining another buyer for the gas for which the Contractor contracted but did not take would also be borne by the Contractor. The Contractor shall pay all amounts due within 7 calendar days after receipt of an invoice. Any disagreement with respect to the amount of such payment due the MMS will be deemed a dispute and will be decided by the respective Contracting Officer.

A.6. Scheduling of Royalty Gas Movements

A.6.a. The Contractor, at its expense, shall make all necessary arrangements to receive delivery of Royalty Gas at the FMP. The Contractor is not responsible for costs of transportation upstream of the FMP. Offerors should be aware that in certain cases, they might be responsible for transportation costs on lateral pipelines after the FMP, that may not under the jurisdiction of the Federal Energy Regulatory Commission, or any other regulatory body.

A.6.b. The Operator of the selected lease will deliver Royalty Gas to the Contractor at the same frequency as it is produced from the property. Unless otherwise notified, this will be assumed to be daily.

A.6.c. The Contractor agrees to take 100 percent of the Royalty Gas delivered to it at the FMP for the entire delivery period of this contract. The Contractor, through customary industry practice set forth by GISB and the Council of Petroleum Accountants Societies (COPAS) in nominating and scheduling transportation services, will attempt to minimize the occurrence of imbalances with the Operator of the lease. To facilitate timely and accurate delivery of Royalty Gas, the Contractor or its agent will communicate directly with the Operator and make arrangements for the delivery and transfer of Royalty Gas from these leases.

A.6.d. No later than 8 calendar days before the first day of each month, the Operator will notify the Contractor of the daily Royalty Gas volumes and qualities anticipated for the following month of production. This will continue for each month of the Royalty Gas Delivery Period. The Contractor understands that any such estimate is not a warranty of actual deliveries to be made but is provided to facilitate planning of delivery of Royalty Gas.

A.6.e. The Operator will use reasonable efforts, consistent with industry practice, to inform the Contractor regarding significant changes in gas production levels. The Operator will notify the Contractor in the event of a production shut-in.

A.6.f. Imbalances in the delivery of Royalty Gas to the Contractor will be monitored and jointly resolved by MMS and the Operator by adjustments in the volume of Royalty Gas delivered to the Contractor in subsequent months. These adjustments will be reflected in communications from the Operator to the Contractor regarding first of month availability of Royalty Gas.

A.6.g. The MMS will designate the Contractor to act on its behalf in carrying out the roles and responsibilities outlined for the “Lessor” in a letter that will be sent to all Operators of leases in this program. This letter is included as Exhibit D. Specifically, the Contractor will be responsible for performing the roles outlined for the Lessor in the following sections of the letter: 1) Royalty Gas Delivery; 2) Lessor Obligation to Take; 3) Communication; and 4) Lessor Point of Contact (Scheduling, Transportation, and Imbalance Issues).

A.7. Scheduling of Gas Deliveries to MMS

Delivery Gas will be made available to the MMS at the accepted onshore delivery point in the same frequency that Royalty Gas is delivered at the lease.

No later than 8 calendar days before the first day of each month, the Contractor will notify the MMS or its designated agent of the daily constant Delivery Gas volumes anticipated for the following month of production. This will continue for each month of the Royalty Gas Delivery Period. Unless Force Majeure provisions apply or MMS otherwise approves a change, this will be the daily delivered volume of Delivery Gas for the entire month.

A.8. Delivery and Receipt Documentation of Royalty and Delivery Gas

On a monthly basis, the Contractor shall provide to the Contracting Officer or its designee in a format similar to that presented in Exhibit E, a summary by FMP of the quantity and quality of Royalty Gas received and Delivery Gas delivered. This summary report is due to MMS 30 days after the end of the applicable month of production. The Contractor shall provide the Contracting Officer the point of contact responsible for this information, and provide copies of any associated third party source documents (e.g., pipeline statements) as requested by the Contracting Officer.

A.9. Quality of Delivered Delivery Gas

All Delivery Gas delivered by the Contractor to the MMS or its designated agent shall conform

to pipeline quality specifications at the applicable delivery point.

As to the gas that does not meet the specification set out above, and which the Contractor elects not to process or treat to meet said specifications; the MMS shall have the option to:

Refuse to accept delivery of such gas. In the event the Contractor does not correct such deficiency within a reasonable time, Buyer shall have the right to suspend deliveries of Delivery Gas from the Contractor upon such notice as it deems reasonable under the circumstances;

Accept delivery of the gas pursuant to mutually agreeable terms, said terms to be agreed upon in writing by the parties, and/or cease deliveries of such gas, and MMS may obtain alternative fuel supplies elsewhere. The Contractor shall pay MMS the difference in cost for such alternative fuel supplies.

A.10. Delivery Service Levels

Before the start of each month during the Contract term, MMS in consultation with the Contractor will determine the percentage of the total Royalty Gas for all awarded FMPs that will be delivered at the ODP at a "Firm Service Level" and at a "Swing Service Level".

1) Firm Service Level:

Delivery Gas to be provided at the ODP on a non-interruptible, constant, daily volume subject only to changes resulting from area-wide Force Majeure events.

2) Swing Service Level:

Delivery Gas to be provided at the ODP at an interruptible daily volume subject to changes approved by the MMS COTR.

A.11. Imbalances

Monthly imbalances will occur due to differences between the firm constant daily volume of Delivery Gas made available to the Government by the Contractor and the actual volumes of Royalty Gas taken by the Contractor multiplied by the delivery ratio(s).

1) Intra-Month FMP Imbalances.

a) Actual deliveries from the Operators to Contractor at the FMP may vary from the FMP Quantity for any reason, including without limitation an event of Force Majeure, failure of a Party to receive or deliver in accordance with this Contract, or unexpected changes in flow rates of Natural Gas at the wellhead. The MMS shall cause the Operator(s) to advise Contractor to the best of the Operators' ability and as soon as reasonably practicable of any such variances. Such variances may be reflected in revised nominations or in data provided by Transporter reflecting actual deliveries.

b) If at any time during a month during which Natural Gas is to be delivered and received hereunder Contractor determines that the actual quantity of Natural Gas delivered by the Operators and received by Contractor at the FMP significantly exceeds or could reasonably be expected to significantly exceed the FMP Quantity nominated in a given month, Contractor may request that the ODP Quantity be increased during the remainder of that month to eliminate or reduce the imbalance. The MMS shall exercise (and cause its Agent to exercise) commercially reasonable efforts to accommodate Contractor's request. If such an imbalance continues to exist, Contractor shall be entitled to retain such excess Natural Gas and shall not be required to deliver a corresponding incremental amount of Natural Gas to the MMS at the ODP; provided, however, that the value of such excess Natural Gas shall be credited to an account ("Imbalance Account"). The value of each MMBtu of Natural Gas shall equal the product of (i) the index price published in Gas Daily for the applicable pipeline index point under the column entitled "Midpoint" (hereinafter, the "Daily Index Price") in effect for the day(s) that the actual quantity of Natural Gas delivered by the Operators and received by Contractor at the FMP exceeds the FMP Quantity; and (ii) the delivery ratio bid by the Offeror.

c) If at any time during a month during which Natural Gas is to be delivered and received hereunder Contractor determines that the actual quantity of Natural Gas delivered by the Operators and received by Contractor at the FMP is significantly less than or could reasonably be expected to be significantly less than the FMP Quantity nominated in a given month, Contractor may request that the ODP Quantity be decreased during the remainder of that month to eliminate or reduce the imbalance. The MMS shall exercise (and cause its Agent to exercise) commercially reasonable efforts to accommodate Contractor's request. If such an imbalance continues to exist, Contractor shall nevertheless be required to deliver the ODP Quantity to the MMS at the ODP; provided, however, that (i) the value of such deficit Natural Gas shall be debited from the Imbalance Account, and (ii) Contractor's receipt obligations at the FMP and delivery obligations at the ODP shall be suspended with MMS approval to the extent prevented by an area-wide event of Force Majeure. The value of each MMBtu of Natural Gas shall equal the product of (i) the Daily Index Price in effect for the day(s) that the actual quantity of Natural Gas delivered by the Operators and received by Contractor at the FMP is less than the FMP Quantity and (ii) the delivery ratio.

2) Failure to Deliver or Receive the ODP Quantity.

a) Actual deliveries and/or receipts between Contractor and the MMS's Agent at the ODP may vary from the ODP Quantity for any reason, including without limitation an event of Force Majeure, failure of a Party to receive or deliver in accordance with this Contract.

b) If on any day during a month during which Natural Gas is to be delivered and received hereunder Contractor fails to deliver the ODP Quantity for that day (as such quantity may be modified pursuant to A.11, Section 1 above), the value of the quantity of Natural Gas Contractor failed to deliver shall be credited to the Imbalance Account. The value of each MMBtu of Natural Gas shall equal the Daily Index Price in effect for the day(s) that

Contractor failed to deliver the ODP Quantity.

c) If on any day during a month during which Natural Gas is to be delivered and received hereunder the MMS or the MMS's Agent fails to receive the ODP Quantity for that day (as such quantity may be modified pursuant to A.11, Section 1 above) the value of such deficit Natural Gas shall be credited to the Imbalance Account. The value of each MMBtu of Natural Gas shall equal the Daily Index Price in effect for the day(s) that the MMS or the MMS's Agent failed to receive the ODP Quantity.

3) After-the-Month FMP Imbalances.

a) Transporters typically issue information depicting the actual flow of Natural Gas a few weeks after the end of the month during which Natural Gas flowed or was to flow. Such information shall be referred to hereinafter as "Actuals".

b) If, based on Actuals, Contractor determines that the actual quantity of Natural Gas delivered by the Operators and received by Contractor at the FMP exceeded the FMP Quantity nominated for a previous month, Contractor shall be entitled to retain such excess Natural Gas and shall not be required to deliver a corresponding incremental amount of Natural Gas to the MMS at the ODP; provided, however, that the value of such excess Natural Gas shall be credited to the Imbalance Account. The value of each MMBtu of Natural Gas shall equal the product of (i) the first of the month index price published in Inside F.E.R.C.'S Gas Market Report adjacent to Louisiana for the applicable pipeline point (hereinafter, the "Monthly Index Price"); and (ii) the delivery ratio.

c) If, based on Actuals, Contractor determines that the actual quantity of Natural Gas delivered by the Operators and received by Contractor at the FMP was less than the FMP Quantity for that month, the value of such deficit Natural Gas shall be debited from the Imbalance Account. The value of each MMBtu of Natural Gas shall equal the product of (i) the Monthly Index Price and (ii) the delivery ratio.

4) After-the-Month ODP Imbalances.

a) If, based on Actuals, Contractor determines that the ODP Quantity during that month exceeded the quantity received by the MMS or its Agent at the ODP during that month Contractor shall be entitled to retain such excess Natural Gas; provided, however, that the value of such excess Natural Gas shall be credited to the Imbalance Account. The value of each MMBtu of Natural Gas shall equal the Monthly Index Price.

b) If, based on Actuals, Contractor determines that the ODP Quantity during that month was less than the quantity received by the MMS or its Agent at the ODP during that month, the value of such excess Natural Gas shall be debited from the Imbalance Account. The value of each MMBtu of Natural Gas shall equal the Monthly Index Price.

5) Imbalance Penalties Imposed by Transporters.

a) As between the MMS and Contractor, Contractor shall be liable for any imbalance, scheduling or similar charges, fees or assessments imposed as a result of an imbalance between the nominated FMP Quantity and the FMP Quantity actually delivered and received.

b) As between the MMS and Contractor, (i) Contractor shall be liable for any imbalance, scheduling or similar charges, fees or assessments imposed as a result of an imbalance between the nominated ODP Quantity and the ODP Quantity actually delivered and received to the extent Contractor caused any such charges, fees or assessments to be imposed; and (ii) the MMS, through its Agent, shall be liable for any imbalance, scheduling or similar charges, fees or assessments imposed as a result of an imbalance between the nominated ODP Quantity and the ODP Quantity actually delivered and received to the extent the MMS or its Agent caused any such charges, fees or assessments to be imposed.

6) Reconciliation of Imbalance Account.

a) Notwithstanding anything herein or in the IFB to the contrary, at the end of any calendar month during which deliveries and receipts of Natural Gas are made hereunder, Contractor may increase or decrease the quantity of its delivery obligation of the ODP Quantity at the ODP during the following month to the extent necessary to eliminate to the degree practicable any positive or negative balance in the Imbalance Account and/or to create a positive balance in the Imbalance Account that is sufficient in Contractor's commercially reasonable judgment to protect Contractor from future imbalances between (i) the FMP Quantity and the quantity actually delivered at the FMP, and (ii) the FMP Quantity and the corresponding ODP Quantity. Contractor acknowledges that it is only entitled to alter the quantity of its delivery obligation of the OPD Quantity for the purposes set forth in the preceding sentence and only with the approval of the MMS COTR. Contractor and the MMS shall work in good faith to minimize any such alterations in the quantity of Contractor's delivery obligation of the OPD Quantity and arrange for the MMS's consent to such alterations prior to the time such alterations become effective.

b) If, after the term of this Contract expires, there is a positive balance in the Imbalance Account, Contractor shall pay the MMS or its Agent an amount equal to the value of the positive balance in the Imbalance Account. Contractor shall cause such delivery of Natural Gas or payment to be made no later than 10 business days after receipt of an invoice from the MMS therefor. If, after the term of this contract expires, there is a negative balance in the Imbalance Account, the MMS shall cause its Agent to pay Contractor an amount equal to the amount in the Imbalance Account. The MMS shall cause its Agent to make such payment no later than 10 business days after receipt of an invoice from Contractor therefor. If the MMS or its Agent is not able to make such reconciliation payment, in lieu of making such payment, the MMS may deliver an amount of Natural Gas to Contractor at the ODP that is equal to the negative balance in the Imbalance Account divided by a commercially reasonable estimate of the Daily Index Price on the day the Natural Gas is to be delivered. Contractor and the MMS shall work in good faith to reconcile any remaining imbalances not reconciled using the methods contained in this Contract.

c) Contractor shall be the administrator of the Imbalance Account and on a monthly basis shall furnish the MMS a report that specifies all intramonth and monthly occurrences impacting the Imbalance Account. Such report shall be due within 10 days of receiving monthly pipeline statements.

A.12. Limitation of Liability

Limitation of Liability to Direct Damages. All imbalances caused by a party's failure to deliver or receive Natural Gas in accordance with this Contract shall be reconciled in accordance with A.11 above. The remedies for failure to deliver or receive Natural Gas hereunder set forth in this Contract shall be the sole and exclusive remedies for failure to deliver or receive Natural Gas hereunder. The obligor's liability shall be limited as set forth in such provision and all other remedies or damages at law or in equity or waived. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to direct actual damages only. Unless expressly herein provided, no Party shall be liable for consequential, incidental, punitive, exemplary or indirect damages, lost profits, or other business interruption damages, in tort, contract, under any indemnity provision or otherwise.

A.13. Force Majeure

The term "Force Majeure" as used in this Contract shall mean acts of God, governmental action, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, storm warnings, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, the necessity for making repairs to or alterations of machinery or lines of pipe, freezing of wells or lines of pipe, partial or entire failure of wells or other sources of Royalty Gas, refusal or inability of any transporting pipeline to transport gas pursuant to a firm transportation agreement, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to prevent or overcome. Neither Party may claim Force Majeure for economic reasons.

1) Area-wide Event of Force Majeure.

The Force Majeure shall be considered area-wide if an entire pipeline or series of pipelines are shut down. For example, occurrence of hurricane; entire pipeline shut down; or regional “freeze off” are considered Area-wide Force Majeure conditions to the extent that they result in the Contractor’s inability to perform the Contract. If an Operator, Contractor, the MMS or its Agent is rendered unable, by reason of an event of area-wide Force Majeure, to perform, wholly or in part, any obligation or commitment set forth in this Contract, then upon such party's giving notice and full particulars of such events of Force Majeure, all Parties’ obligations to receive and deliver Natural Gas hereunder shall be suspended to the extent and for the period of such event of Force Majeure.

2) Localized Event of Force Majeure.

The Force Majeure shall be considered localized if it does not affect the entire pipeline. Under a Localized Event of Force Majeure, the Contractor shall still be responsible for meeting the Firm Service Level defined in A.10 above. The Contractor shall be relieved from responsibility for meeting the Swing Service Level defined in A.10 above.

3) Additional Responsibilities.

a) Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary firm transportation unless primary, in-path, firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Changes.

b) Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be entirely within the sole discretion of the party experiencing such disturbance.

c) The party whose performance is prevented by Force Majeure must provide notice to the other party. Initial notice may be given orally; however, written notification with details of the event or occurrence is required as soon as reasonably possible. Upon providing written documented notification of Force Majeure to the other party, the affected party will be relieved of its obligation to make or accept delivery of Gas as applicable to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

SECTION B OFFERS

B.1. Offeror Qualifications

Offers will only be accepted from qualified Offerors. An Offeror is qualified if the firm's total revenue derived from the buying and selling of gas during each calendar year from 1995 through 1999 has not been less than the following:

<u>Bid</u>	<u>Qualifying Level (per year)</u>
For all pipelines	\$265 million
Pelican	\$5 million
Transco	\$50 million
Stingray	\$65 million
UTOS/HIOS	\$130 million
ANR Nearshore Louisiana Pipeline	\$15 million

If the Offeror is a joint venture or partnering arrangement, only one of the partners is required to qualify as described above, provided that each of the joint venture partners is jointly and severally liable with respect to all obligations in this contract. Certification to the qualification requirement will be the signed Offeror's Certification and Acceptance Signature Page found in Section B.8 below.

If Offerors have prequalified at or below the Qualifying Level cited above for their bid on a previous IFB during THIS CALENDAR YEAR, they do not need to resubmit their qualifying information. You must note the IFB number, date, and Qualifying Level of your previous submittal on your offer to avoid resubmitting qualifying information. If Offerors are submitting a bid for a pipeline with a higher Qualifying Level, they must submit new qualifying information to be considered.

Offerors must be prequalified to submit bids. The prequalification process is described in Exhibit C.

B.2. Instructions to Offerors

B.2.a. The Royalty Gas offered is listed in Exhibit A. For each property, the table identifies:

- Lease Location (Area/Block)
- Lease Number or Agreement Number
- Lease/Agreement Operator
- FMP Number (MMS Assigned Number)
- Meter Number (Pipeline Assigned Number)
- FMP Location
- Btu Content
- Estimated Royalty Gas volume per day

Major Pipeline System
Any Lateral Pipelines

B.2.b. In order to facilitate bid preparation, the MMS is currently gathering additional data on lateral line ownership and points of contact. Offerors may communicate with the MMS points of contact listed below to receive available information on lateral lines.

B.2.c. Volumes of Royalty Gas shown in Exhibit A are estimates based on the most current available data on average property production volumes multiplied by the current royalty rate. Generally, the volumes reflect average daily production during August through October, 1999. The volume represents the Royalty Gas expected to be available and which must be taken by the Contractor each month. Production volumes, and therefore the actual volume of Royalty Gas available to the contractor, may vary significantly through the term of this IFB. As such, Offerors are encouraged to examine Exhibit B which provides the most recently available 1-year summary of production history for each FMP showing 100% of the production volumes (generally, royalty volumes equal 1/6 of the total FMP volume).

B.2.d. The column in Exhibit A labeled "BID" is provided for Offerors to indicate their offers, specified as a delivery ratio of Delivery Gas to Royalty Gas. The bid/delivery ratio is the number that will be multiplied by the quantity of Royalty Gas made available at the FMP to compute the quantity of Delivery Gas made available to the Government at the onshore delivery location.

By the submission of a bid, the Offeror agrees to be bound by the terms and conditions of this solicitation.

B.2.e. Package Bids By Pipeline. Offerors may submit bids for royalty production from all of the FMPs connected to the same pipeline system. Offerors have the opportunity to make five pipeline package bids. Package bidding by pipeline means the bidder is providing a single delivery ratio that will apply to all Royalty Gas shown on Exhibit A as being connected to a single pipeline system.

B.2.f. Package Bid for All Available Gas. Offerors may submit bids for royalty production from all of the FMPs connected to each of the pipeline systems included in Exhibit A. Package bidding for all available gas means the bidder is providing a single delivery ratio that will apply for all Royalty Gas shown on Exhibit A.

B.2.g. Offerors may telephone the Minerals Management Service, prior to the submission of a bid to clarify issues regarding this auction. Contact Information is provided below.

B.2.h. Proprietary and Confidential Data. If the Offeror submits any proprietary information, it must be marked as proprietary and an explanation must be provided for its proprietary nature. All applicable Department of Interior regulations governing proprietary data shall apply. The Offeror's prices are considered confidential and will not be released by the Government.

B.2.i. Each Offeror shall complete and furnish Section F – Certifications, along with its offer.

B.2.j. Four copies of offers shall be provided. Offers and modifications submitted by mail or hand delivered shall be enclosed in a sealed envelope and addressed to:

ATTN:Mr. Michael Del-Colle, Contracting Officer
U.S. Department of the Interior
Minerals Management Service
381 Elden Street, MS 2500
Herndon, Virginia 22070-4817
703-787-1352

Place the name and address of the Offeror in the upper left corner and the following information in the lower left corner on the face of the envelope:

B.2.k. Amendments to the IFB. The Contracting Officer may issue an amendment to this IFB if information significantly affecting information and terms and conditions of this solicitation subsequently becomes available. Please check the MMS Home Page at <http://www.mms.gov> for posting of any modification prior to your submission of an offer.

B.2.l. Acceptance Period . Bids will remain valid for 30 days after the bid opening date.

B.3. Preparation of Offer

Offerors must examine the complete IFB package, and must comply with all instructions. Failure do so may result in a non-responsive offer.

Offerors must ensure that offer packages are complete and that all required supplemental data are attached. Original signatures and fill-in information must be provided on the Offerors Certification and Acceptance Signature Page in Section B.8.

The Offeror must sign and affix its corporate seal to the Offerors Certification and Acceptance Signature Page in Section B.8. Any erasures or other changes must be initialed by the person signing the offer and offers signed by an agent must be accompanied by evidence of his or her authority. If a corporation has no corporate seal, the words “NO CORPORATE SEAL” must be hand-written in the space reserved for the seal, and the person signing the corporation certification must initial that statement.

B.4. Late Submissions, Modifications, and Withdrawals of Offers

Any offer received at the office designated in the solicitation after the exact time specified for receipt shall not be considered unless it is received before award is made and it:

- (1) Was sent by registered or certified mail not later then the fifth (5th) calendar day

before the day specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the tenth (10th) of the month shall have been mailed by the fifth (5th)); or

(2) Was sent by mail and it is determined by the contracting officer the late receipt was due solely to mishandling by the MMS after receipt at the MMS installation; or

(3) Was sent by U.S. Postal Service Express Mail Next Day Service-Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term working days excludes weekends and U.S. Federal holidays; or

(4) Is the only offer received.

Any modification of an offer, except a modification resulting from the Contracting Officer's request for "best and final" offer, is subject to the same conditions as in Subparagraphs B.4 (1), (2), and (3) of this provision.

A modification resulting from the Contracting Officer's request for best and final offer received after the time and date specified in the request shall not be considered unless received before award and the late receipt is due solely to mishandling by the Government after receipt at the Government installation.

The only acceptable evidence to establish the date of mailing of a late offer or modification sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks shall show a legible date or the offer or modification shall be processed as if mailed late. Postmark means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, Offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

The only acceptable evidence to establish the time of receipt at the Government installation is the time/date stamp of that installation on the proposal wrapper or other documentary evidence of receipt maintained by the installation.

The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service - Post Office to Addressee is the date entered by the Post Office receiving clerk on the "Express Mail Next Day Service Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in Paragraph (d) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, Offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark

on both the receipt and the envelope or wrapper.

A late modification of an otherwise successful offer that makes its terms more favorable to the Government shall be considered at any time it is received and may be accepted.

Offers may be withdrawn by written notice, facsimile, or telegram received at any time before award. (See Section B.4.)

Prior to award, an offer may be withdrawn in person by an Offeror or its authorized representative, if the identity of the person requesting withdrawal is established and the person signs a receipt for the offer.

B.5. Consideration of Offers

B.5.a. The MMS shall award contract(s) resulting from this solicitation to those responsible Offeror(s) whose bids, conforming to the solicitation, would in MMS' judgement be most advantageous to the Federal Government.

B.5.b. MMS reserves the right to reject any or all offers, to waive any informalities and minor irregularities in an offer, and unless otherwise specified by the Offeror, to accept any one item or group of items in an offer, as may be in the best interest of the Government.

B.5.c. MMS may award a contract on the basis of initial offer(s) received, without discussions. Accordingly, each initial offer should be submitted on the most favorable terms that the Offeror can submit.

B.5.d. The MMS has computed a minimum acceptable bid for gas offered under this IFB. Offers that are lower than the Government minimum acceptable bid will not be accepted absent other factors.

B.6. Evaluation Procedure for Award

B.6.a. Offers shall be evaluated based on the best value offered to MMS.

B.6.b. Tie-Breaking Procedures. In the event of ties, the Offeror will be given 24 hours after notification of the tie by MMS to resubmit an offer via Fax to the Contracting Officers. If no re-offer is submitted, the original offer will be considered the offer on the properties. In the event there are ties after a re-offer, drawing lots will break the tie.

B.6.c. The Government reserves the right to negotiate in circumstances where it believes its interests are best served.

B.7. Contract Award

B.7.a. The Contracting Officer is the sole judge as to whether the offers conform to this solicitation.

B.7.b. The MMS will generally evaluate and select properties to maximize direct revenues to the U.S. However, evaluation and award will retain the flexibility to consider administrative savings, even if such award may result in less direct revenues to the Governments; e.g., the cost of administering the contract exceed the revenue received from the sale.

B.7.c. The contract, if awarded, shall be awarded to the Offeror who, in the opinion of the Contracting Officer is the highest, most responsible, and responsive Offeror.

B.7.d. The Government will award to the successful Offeror by means of an award sheet Standard Form (SF) 26, signed by the Contracting Officer. This identifies the items, quantities, and Exchange Gas, which the Government is accepting. A contract will consist of the signed SF 26 award sheet, your offer and this Request for Offer. These documents shall constitute the entirety of the contract between the Contractor and the Government.

B.8. OFFEROR'S CERTIFICATION AND ACCEPTANCE SIGNATURE PAGE

OFFEROR'S BUSINESS NAME:

ADDRESS:

CORPORATE OR PARTNERSHIP OFFICER:

TYPED NAME AND TITLE:

DATE:

CORPORATE SEAL:

Offers by corporations must be executed over the corporate seal. If a corporation has no corporate seal, the words: "NO CORPORATE SEAL" must be hand-written in the space reserved for the seal, and the person signing the corporation certification must initial that statement.

Having examined the offer documents, including any amendments to this Invitation for Bids (IFB), if applicable, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to purchase Royalty Gas in conformity with our offered bids

We undertake, if our offer is accepted, to purchase the Royalty Gas in accordance with the provisions in the IFB.

We agree to stand by ours Offer for a period of 30 days from the date fixed for receipt under the Instructions to Offerors, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Your Offer, together with this signed Offeror's Certification and Acceptance Signature page and your notification of award, shall constitute a binding Contract between you and MMS.

We certify that we are a qualified Offeror as described in Section B.1 of the IFB and that the information, provided in the certifications include herein are accurate and complete.

The making of false statements to the Government is punishable by a fine of not more than \$10,000 and/or not more than five years imprisonment sees 18 U.S.C. 1001.

Dated this _____ day of _____ 1999. .

Authorized Signature

Title

Submissions Required:

Section B.8 - Executed Offeror's Certification and Acceptance Signature Page

Exhibit A (Your offer for Federal Properties)

Section G - Completed Certifications

SECTION C CUSTODY AND TITLE TRANSFER

C.1. Custody Transfer Measurement and Quality/Quantity Determination of Royalty Gas Received by the Contractor

All Royalty Gas delivered must be accepted by the Contractor from the awarded FMP volumes for the entire Royalty Gas delivery period, including Royalty Gas from the newly producing wells on these leases. The Contractor will take custody of the Royalty Gas at the FMP.

Custody transfer measurements will be in accordance with established GISB standards. The custody transfer measurements of the Delivery Gas to be delivered by the contractor is the responsibility of the contractor.

C.2. Title to Gas

C.2.a. The MMS warrants title to all Natural Gas delivered hereunder at the FMP pursuant to MMS authority under the Outer Continental Shelf Land Act at 43 USC 1353 and the royalty provisions pertaining to Federal mineral leases pursuant to this act.

C.2.b. Title and custody for the Royalty Gas to be delivered by the MMS to the Contractor will be transferred to the Contractor at the Royalty Gas FMP.

C.2.c. Contractor warrants title to all Natural Gas delivered hereunder at the ODP and agrees to indemnify the MMS from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to such Natural Gas or to royalties or charges thereon. Contractor warrants that the Natural Gas delivered hereunder at the ODP qualifies under all regulatory and jurisdictional regulations, both federal and state, for the purposes encompassed within this IFB. Contractor warrants its right and lawful authority to deliver all Natural Gas delivered at the ODP hereunder. Contractor shall indemnify and hold the MMS harmless for any breach of Contractor's warranties contained herein.

C.2.d. Title to the Delivery Gas will be transferred to the Government at the specified onshore delivery point(s).

C.2.e. The MMS shall have the right to reject any Delivery Gas which, when tendered for delivery, may be involved in litigation, or the title of which may be in dispute. Also, the MMS may require of the Contractor satisfactory evidence of the Contractor's perfect and unencumbered title or satisfactory indemnity bond. The Contractor warrants and guarantees that it has good title there to the Delivery Gas being provided to the Government

SECTION D PAYMENT

D.1. Method of Payments

Payment for Royalty Gas shall be made by provision of Delivery Gas in accordance with the terms of the contract.

D.2. Monetary Settlements

Any cash payments made by the Contractor pursuant to Sections A.4. and A.5. must be made to MMS by electronic funds transfer (EFT). For specific EFT instructions, contact the Contracting Officer.

SECTION E CONTRACT PROVISIONS

E.1. Default

The Contracting Officer without liability to the MMS may terminate this contract in whole or in part as pertains to each respective interest, by written notice to the Contractor effective upon such notice being delivered personally to any authorized representative of the Contractor, being deposited in the United States Postal System, or with an overnight delivery service addressed to the Contractor as provided in E.4 in the event:

- (1) Contractor breaches any warranty made herein;
- (2) Contractor fails to take delivery in accordance with the terms of this contract; Contractor no longer meets the financial qualifying criteria specified in this solicitation as determined by the Government
- (3) There are instituted by or against Contractor proceedings in bankruptcy or other insolvency law; or Contractor fails to comply with any other term or condition of this contract within 48 hours after the Contracting Officer or their designee, gives telephonic or other oral notice. The Governments will confirm any oral notification in writing.

Notwithstanding other provisions of this Request for Offers Contractor shall not be charged with any liability to the MMS under circumstances which prevent Contractor's acceptance of delivery hereunder due to causes beyond the control and without the fault or negligence of Contractor, as deemed by the Contracting Officer.

Nothing herein will limit the Government in the enforcement of any legal or equitable remedy, which it might otherwise have, and a waiver of any particular cause for termination will not prevent termination for the same cause occurring at any other time or for any other cause.

Upon termination of a contract for Contractor's default, the Contracting Officers may sell or otherwise dispose of the remaining natural gas in an appropriate manner. Any net loss experienced by the Government, calculated as the difference between the price received for the remainder of the contract period as sold by the Contracting Officer, to include administrative cost and the price that would have accrued had the Contractor delivered the volumes until the term of the contract expired will be due from the Contractor.

E.2. Disputes

E.2.a. This contract is subject to the Contract Disputes Act of 1978 as amended (41 U.S.C. Section 601 et seq.). If a dispute arises relating to the contract, the Contractor may submit a claim to the Contracting Officer, who shall issue a written decision on the dispute in the manner

specified in 48 CFR 1-33.211.

E.2.b. "Claim" means:

- (1) A written request submitted to the Contracting Officer;
- (2) For payment of money, adjustment of contract terms, or other relief;
- (3) Which is in dispute or remains unresolved after a reasonable time for its review and disposition by the Government; and
- (4) For which a Contracting Officer's decision is demanded.

E.2.c. In the case of dispute requests or amendments to such requests for payment exceeding \$100,000, the Contractor shall certify at the time of submission as a claim, as follows:

I certify that the claim is made in good faith, that the supporting data are current, accurate and complete to the best of my knowledge and belief and that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable.

Contractor's Name

Signature

Title

E.2.d. The Government shall pay to the Contractor interest on the amount found due to the Contractor on claims submitted under this provision at the rate established by the Department of the Treasury from the date the amount is due until the MMS makes payment. The Contract Disputes Act of 1978 as amended and the Prompt Payment Act adopt the interest rate established by the Secretary of the Treasury under the Renegotiation Act as the basis for computing interest on money owed by the Government. This rate is published semi-annually in the Federal Register.

E.2.e. The Contractor shall pay to the Government interest on the amount found due to the Government and unpaid on claims submitted under this provision at the rate specified in Paragraph d. above from the date the amount is due until the Contractor makes payment.

E.2.f. The decision of the Contracting Officer shall be final and conclusive and shall not be subject to review by any forum, tribunal, or Government agency unless an appeal or action is commenced within the times specified by the Contract Disputes Act of 1978 as amended.

E.2.g. The Contractor shall comply with any decision of the Contracting Officer and at the direction of the Contracting Officer shall proceed diligently with performance of this contract pending final resolution of any request for relief, claim, appeal, or action related to this contract.

E.3. Termination for the Convenience of the Government

The Government enters into this contract with the intent of being an active, participating partner during the full term of the Contract. However, the MMS must reserve the Federal Government's right to unilaterally cancel this contract by written notice issued by the Contracting Officer. Such action would be taken, for instance, if legislative actions, appropriation provisions, or court actions required contract termination. In the event of cancellation, unless otherwise prescribed by the circumstances previously cited, the Contractor will be given 180 days written notice.

E.4. Termination

E.4.a. Term. The Parties' obligations to deliver and receive Natural Gas under this Contract shall commence on April 1, 2000 and remain in effect until November 31, 2000, unless terminated earlier in accordance with this Contract.

E.4.b. Termination Rights. With the exception of Section E.3 above, neither Party may terminate this Contract unless a Party materially fails to deliver or receive Natural Gas or pay amounts due in accordance with the Imbalance Account reconciliation method set forth in Section A.11 above and then only after the non-performing Party has received ten business days' advance written notice from the other Party that the non-performing Party has failed to make such receipts, deliveries or payments in accordance with the reconciliation method set forth in Section A.11 above. In addition, the MMS reserves the right to terminate this Contract for the convenience of the Government as detailed in Section E.3 above.

E.4.c. Survival. The rights of either Party hereunder related to reconciliation of the Imbalance Account, the obligation to pay (or in the case of the MMS, the obligation to cause its Agent to pay) amounts due hereunder, and the obligation of either Party to indemnify the other Party hereunder shall survive termination of this Contract.

E.5. Excusable Delays

E.5.a. In the event either party should be prevented from performing under this contract by reason of any unforeseeable cause beyond its control and without its fault or negligence, including, but not restricted to, acts of God or of the public enemy, sovereign acts of the United States, acts of a foreign government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather, performance under the contract shall be suspended in whole or in part until such cause ceases to exist and thereafter the time for fulfillment of the contract shall be extended by the length of time during which such cause prevented performance under the contract.

E.5.b. In order for this provision to become operative, the party to the contract affected by the excusable delay condition shall furnish the other party with written notice of the nature and extent of the excusable delay condition promptly after the commencement thereof, but in any event prior to the scheduled date of delivery. Written notice shall be furnished within ten (10)

calendar days to the other party when the excusable delay condition ceases to exist.

E.6. Modification

No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in this contract. The Contracting Officer shall make all modifications to the contract in writing.

E.7. Covenant Against Contingent Fees

E.7.a. The Offeror warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to add to the contract price or consideration, or otherwise recover, the full amount of the contingent fee.

E.7.b. "Bona fide agency," as used in this paragraph, means an established commercial or selling agency, maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

E.7.c. "Bona fide employee," as used in this paragraph, means a person, employed by a Offeror and subject to the Offeror's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

E.7.d. "Contingent fee," as used in this paragraph, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

E.7.e. "Improper influence," as used in this paragraph, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

E.8. Assignment

The Contractor shall not make or attempt to make any assignment of a contract that incorporates the clauses of this IFB or any interest therein contrary to the provisions of Federal law, including the Anti-Assignment Act (41 U.S.C. 15), which provides:

No contract or order, or any interest therein, shall be transferred by the party to whom such contract or order is given to any other party, and any such transfer shall cause the annulment of

the contract or order transferred, so far as the United States is concerned. All rights of action, however, for any breach of such contract by the contracting parties, are reserved to the United States.

E.9. Officials Not to Benefit

No member of or delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit arising from it. However, this clause does not apply to this contract to the extent that this contract is made with a corporation for the corporation's general benefit.

E.10. Gratuities

E.10.a. The Government, by written notice to the Contractor, may terminate the right of the Contractor to proceed under this contract if it is found, after notice and hearing, by the Secretary of Energy or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered by or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the Government with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending, or making of any determinations with respect to the performing of such contract; provided, that the existence of the facts upon which the Administrator of MMS or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

E.10.b. In the event that this contract is terminated as provided in Paragraph (a) hereof, the Government shall be entitled (1) to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by Contractor, and (2) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Administrator of MMS or his duly authorized representative) which shall not be less than three nor more than 10 times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee.

The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

E.11. Indemnification

Contractor shall indemnify and save the Governments and Lessees harmless from and against any loss, expense, liability, or claim of any kind for damage to property, or for injury to or death of persons which Contractor, its agents, employees, or personnel intentionally or negligently or otherwise cause, arising in any way from or connected with performance of this contract.

E.12. Governing Laws and Regulations

Federal Law, OCSLA and this Request for Offer hereunder govern the exchange of Royalty Gas.

The Federal Acquisition Regulations (FAR), 48 CFR, Ch. 1, Pts. 1-53 do not apply to this sale; however, the Government may use the FAR as guidance in this solicitation and contract award.

Choice of Law. This IFB and the rights and duties of the parties arising herefrom shall be governed by all applicable federal laws; provided, however, that to the extent such laws are not applicable, the laws of the State of (Incorporation or Operation), except for the laws of the State regarding principles of conflicts of law, shall govern.

E.13. Limitation of the Government Liability

The Government is not liable for nonperformance due to Force Majeure.

E.14. Export Limitations and Licensing

Contractors are subject to all the limitations and licensing requirements of the Export Administration Act of 1969 (83 Stat. 841) in accordance with 10 U.S.C. §7430(e).

E.15. Contractor's Release of Claims

Contractor hereby releases the Government from all claims arising in connection with this contract, except in the case of those Federal claims meeting the requirements of the Contract Disputes Act which the Contracting Officer receives prior to the date upon which final delivery is due hereunder. Claims not received before such date are forever barred.

E.16. Environmental Compliance

Failure of the Contractor or the Contractor's subcontractors to comply with all applicable rules and regulations concerning the transportation of gas will be considered a failure to comply with the terms of any contract containing these provisions, and may result in termination for default, unless, in accordance with Paragraph E.1., such failure was beyond the control and without the fault or negligence of the Contractor, its affiliates, its agents or subcontractors at any tier.

SECTION F CERTIFICATIONS

Please complete and return this section with your offer.

F.1. Certificate of Independent Value Determination

F.1.a. The Offeror certifies that -

- (1) The Exchange Gas offered to the Government has been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Offeror or competitor relating to (i) those values, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the values offered;
- (2) The Exchange Gas offered to the Government has not been and shall not be knowingly disclosed by the Offeror, directly or indirectly, to any other Offeror or competitor before contract award unless otherwise required by law; and
- (3) No attempt has been made or shall be made by the Offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

F.1.b. Each signature on the offer is considered to be a certification by the signatory that the signatory -

- (1) Is the person in the Offeror's organization responsible for determining the value being offered in this proposal, and that the signatory has not participated and shall not participate in any action contrary to Subparagraphs a. (1) through a. (3) above; or
- (2)(i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and shall not participate in any action contrary to Subparagraphs a.(1) through a.(3) above

(insert full name of person(s) in the Offeror's organization responsible for determining the quantities offered in this proposal and the title of his/her position in the Offeror's organization);

- 2(ii) As an authorized agent, does certify that the principals named in subdivision b.(2)(i) above have not participated, and shall not participate, in any action contrary to Subparagraphs a.(1) through a.(3) above; and
- 2(iii) As an agent, has not personally participated, and shall not participate, in any action contrary to Subparagraphs a.(1) through a.(3) above.

F.1.c. If the Offeror deletes or modifies Subparagraph a.(2) above, the Offeror shall furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

F.2. Contingent Fee Representation and Agreement

F.2.a. Representation. The Offeror represents that, except for full-time bona fide employees working solely for the Offeror, the Offeror: (Note: The Offeror shall check the appropriate boxes. For interpretation of the representation, including the term bona fide employee, see Provision E.9.)

- (1) _____ has, _____ has not employed or retained any person or company to solicit or obtain this contract; and
- (2) _____ has, _____ has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

F.2.b. Agreement. The Offeror agrees to provide information relating to the above Representation as requested by the Contracting Officer and, when Subparagraph (a)(1) or (a)(2) is answered affirmatively, to promptly submit to the Contracting Officer-

- (1) A completed Standard Form 119, Statement of Contingent or Other Fees, (SF 119); or
- (2) A signed statement indicating that the SF 119 was previously submitted to the same Contracting Officer, including the date and applicable solicitation or contract number, and representing that the prior SF 119 applies to this offer or quotation.

F.3. Certification Regarding Debarment, Suspension, Proposed Debarment and Other Responsibility Matters

F.3.a. The Offeror certifies, to the best of its knowledge and belief, that -

- (1)(i) The Offeror and/or any of its Principals:
 - A) Are (_____) are not (_____) presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by an Federal agency.
 - B) Have (_____) have not (_____), within a 3-year period preceding this offer, been convicted of or had a civil judgment rendered against them for:

commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and

C) Are (_____) are not (_____) presently indicted for, or otherwise criminally or civilly charged by an MMS entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

- (1)(ii) The Offeror has (_____) has not (_____) within a 3-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
- (2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary division, or business segment, and similar positions).

This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under section 1001, title 18, United States Code.

F.3.b. The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous by reason of changed circumstances.

F.3.c. A certification that any of the items in Paragraph a. of this provision exists shall not necessarily result in withholding of an award under this solicitation. However, the certification shall be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsive.

F.3.d. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required in Paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally processed by a prudent person in the ordinary course of business dealings.

F.3.e. The certification in Paragraph a. of this provision is material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to the other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

F.4. Contact Information:

For questions regarding the contract and solicitation please contact:

Mr. Michael De-Colle, Contracting Officer
U.S. Department of the Interior
Minerals Management Service
381 Elden Street, MS 2500
Herndon, Virginia 22070-4817
PHONE (703) 787-1352
FAX (703) 787-1009
E-mail: Michael.DelColle@mms.gov

Mr. Gregory W. Smith
U.S. Department of the Interior
Minerals Management Service
12,600 W. Colfax Ave, MS 9200
Lakewood, CO 80225
PHONE (303) 275-7102
FAX (303) 275-7124
E-mail: Gregory.W.Smith@mms.gov

F.5. Certification of Nonsegregated Facilities

"Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

By the submission of this offer, the Offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any location under its control where segregated facilities is a violation of the Equal Opportunity clause in the contract.

The Offeror further agrees that (except where it has obtained identical certifications from proposed sub-purchasers for specific time periods) it will--
Obtain identical certifications from proposed sub purchasers before the award of subcontracts under which the sub purchaser will be subject to the Equal Opportunity clause;

Retain the certifications in the files; and forward the following notice to the proposed sub-purchasers (except if the proposed sub-purchasers have submitted identical certifications for specific time periods):

F.6. Previous Contract and Compliance Reports. The Offeror represents that –

It has, has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation, the clause originally contained in Section 310 of Executive Order No. 10925, or the clause in Section 201 of executive Order No. 11114;

It has, has not filed all required compliance reports; and

Representations indicating submission of required compliance reports, signed by proposed sub purchasers, will be obtained before subcontract awards.

F.7. Clean Air and Water Certification. The Offeror certifies that –

Any facility to be used in the performance of this proposed contract is, is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities:

The Offeror will immediately notify the Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the EPA, indicating that any facility that the Offeror proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and

The Offeror will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

F.8. Certification of Toxic Chemical Release Reporting.

Submission of this certification is a prerequisite for making or entering into this contract imposed by Executive Order 12969, August 8, 1995.

By signing this offer, the Offeror certifies that –

As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in Section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and Section 6607 of the Pollution Prevention Act of 1990 (PPA), the Offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory form (Form R) as described in Sections 313 (a) and (g) of EPCRA and Section 6607 of PPA; or

(2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons: (Check each block that is applicable.)

The facility does not manufacture, process or otherwise use any toxic chemical listed under Section 313(c) of EPCRA, 42, U.S.C. 11023(c);

- (ii) The facility does not have 10 or more full-time employees as specified in Section 313(b) (1) (A) of EPCRA, 42 U.S.C. 11023(b) (1) (A);
- (iii) The facility does not meet the reporting thresholds of toxic chemicals established under Section 313(f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);
- (iv) The facility does not fall within Standard Industrial Classification Code (SIC) designations 20 through 39 as set forth in Section 19.102 of the Federal Acquisition Regulation; or
- (v) The facility is not located within any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Northern Mariana Islands, or any other territory or possession over which the United States has jurisdiction.

F.9. Data Universal Numbering System (DUNS).

The Offeror is requested to insert the Dun and Bradstreet number (DUNS) assigned to their address. _____

F.10. Taxpayer Identification.

a. Definitions.

"Common parent," means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the Offeror is a member.

"Corporate status," means a designation as to whether the Offeror is a corporate entity, an unincorporated entity (e.g., sole proprietorship or partnership), or a corporation providing medical and health care services.

"Taxpayer Identification Number (TIN)," means the number required by the IRS to be used by the Offeror in reporting income tax and other returns.

- b. All Offerors are required to submit the information required in paragraphs c. through e. of this IFB provision in order to comply with reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M and implementing regulations issued by the Internal Revenue Service (IRS).

c. Taxpayer Identification Number (TIN)

TIN _____.

TIN has been applied for.

TIN is not required because: Choose one of the following:

Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the U.S. and does not have an office or place of business or a fiscal paying agent in the U.S.;

Offeror is an agency or instrumentality of a foreign Offeror;
Offeror is an agency or instrumentality of a Federal, state, or local Offeror;
Other Choose one of the following:

d. Corporate Status.

Other corporate entity;
Not a corporate entity;
Sole proprietorship ;
Partnership;

e. Common Parent.

Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this clause.

Name and TIN of common parent:

Name

TIN

FMP Location	FMP No.	Lease/Unit No.	Area	Blk	Lease/Unit Operator	Btu cnt	Lease/ Agre MMBtu per day	FMP Total MMBtu per day	Meter No. at FMP/ Platform	Lateral Pipeline	Onshore Delivery Point	Bid
ANR Pipeline System												
HI 0167 A	3142710HI03	054-006200-0	HI	166	EOG Resources, Inc.	1041	584					
HI 0167 A	3142710HI03	054-014883-0	HI	130	Prime Natural Res.	1058	544	1,128	167H1	EOG, Texas Gas		
WC 0165 A	3117700HI09	054-004397-0	WC	291	PennzEnergy E&P	1090	2,299					
WC 0165 A	3117700HI09	055-000758-0	WC	165	PennzEnergy E&P	1090	181	2,480	165W1	direct connect		
WC 0182 A	3117700HI0X	054-015062-0	WC	182	Seneca Resources	1041	2,107	2,107	182W1	Seneca Res. Corp.		
WC 0204 A	3017700HI00	054-015066-0	WC	204	EEX Corporation	1065	858	858	204W1	EEX Corporation		
WC 0205 A	3117700HI06	054-002832-0	WC	205	Forcenergy Inc	1056	2					
WC 0205 A	3117700HI06	054-003496-0	WC	206	Santa Fe Snyder	1056	7,507	7,509	205W1	Northern Natural		
WC 0238 A	3117700HI07	054-002834-0	WC	238	J.M. Huber	1024	266					
WC 0238 A	3117700HI07	054-003499-0	WC	249	J.M. Huber	1024	19					
WC 0238 A	3117700HI07	054-009408-0	WC	248	J.M. Huber	1024	581	866	238W1	direct connect		
WC 0294 A	3117700HI0C	891-020255-0	WC	293	Amoco Production	1053	1,654					
WC 0294 A	3117700HI0C	054-004398-0	WC	293	Seneca Resources	1053	177					
WC 0294 A	3117700HI0C	054-006581-0	WC	292	Amoco Production	1053	115	1,946	294W1	Texas Gas Trans.		
WC 0306 A	3017701HI0N	054-010572-0	WC	306	St. Mary's L & E	1054	886					
WC 0306 A	3017701HI0N	054-017786-0	WC	304	UNOCAL	1054	1,278	2,164	306W1	St. Mary, Texas Gas		
Total ANR Pipeline System (8 FMPs)								19,058				
HIOS/UTOS Pipeline System												
EB 0110 A	3160804HI02	754-391005-0	EB	112	Agip Petroleum Co. Inc.	1069	2,816					
EB 0110 A	3160804HI02	054-002649-0	EB	109	PANACO, INC.	1070	34					
EB 0110 A	3160804HI02	054-002650-0	EB	110	PANACO, INC.	1070	312	3,162	110E1	PANACO, INC.		
EB 0160 A	3160804HI00	054-002645-0	EB	158	UNOCAL	1075	4,750					
EB 0160 A	3160804HI00	054-002646-0	EB	159	UNOCAL	1075	2,309					
EB 0160 A	3160804HI00	054-002647-0	EB	160	UNOCAL	1075	636					
EB 0160 A	3160804HI00	054-002648-0	EB	161	UNOCAL	1075	158					
EB 0160 A	3160804HI00	054-014204-0	EB	117	Vastar Res. Inc.	1075	831	8,684	160E1	UNOCAL		
EB 0165 A	3160804HI01	754-388012-0	EB	165	PANACO, INC.	1080	1,213	1,213	165E1	PANACO, INC.		

FMP Location	FMP No.	Lease/Unit No.	Area	Blk	Lease/Unit Operator	Btu cnt	Lease/ Agre MMBtu per day	FMP Total MMBtu per day	Meter No. at FMP/ Platform	Lateral Pipeline	Onshore Delivery Point	Bid
HIA0244 A	3142711HI00	054-006214-0	HI	A 231	Samedan Oil Corp.	1043	806					
HIA0244 A	3142711HI00	054-009423-0	WC	445	Samedan Oil Corp.	1043	120	926	244H1	Samedan Oil		
HIA0263 B	3142711HI0V	054-008187-0	HI	A 272	Coastal Oil & Gas	1029	105					
HIA0263 B	3142711HI0V	054-013342-0	HI	A 263	Coastal Oil & Gas	1018	414	519	263H1	Coastal O & G		
HIA0270 A	3142711HI01	054-002723-0	HI	A 269	NCX Company, Inc.	1044	53					
HIA0270 A	3142711HI01	054-002724-0	HI	A 270	NCX Company, Inc.	1044	466					
HIA0270 A	3142711HI01	054-003377-0	HI	A 281	Samedan Oil Corp.	1042	445	964	270H1	Samedan Oil		
HIA0271 A	3142711HI0Z	054-006245-0	HI	A 271	Coastal Oil & Gas	1029	104					
HIA0271 A	3142711HI0Z	054-008187-0	HI	A 272	Coastal Oil & Gas	1029	15	119	271H1	Koch Exp. Co.		
HIA0283 A	3142711HI05	054-002404-0	HI	A 283	Koch Exploration	1025	1,022	1,022	283H1	Transco		
HIA0287 A	3142711HI08	054-003486-0	HI	286	Forcenergy Inc	1019	32					
HIA0287 A	3142711HI08	054-017207-0	HI	299	Forcenergy Inc	1019	314	346	287H1	CGT		
HIA0309 A	3142711HI0B	054-002735-0	HI	A 309	Coastal Oil & Gas	1024	1,634	1,634	309H1	ANR		
HIA0310 B	3142711HI0X	054-002735-0	HI	A 309	Coastal Oil & Gas	1042	83					
HIA0310 B	3142711HI0X	054-003378-0	HI	A 310	Coastal Oil & Gas	1042	557	640	310H1	ANR		
HIA0312 A	3142711HI02	054-014913-0	HI	A 312	CNG Producing Co.	1087	497	497	312H1	CNG, ANR		
HIA0317 A	3142711HI0E	054-002412-0	HI	A 317	Coastal Oil & Gas	1022	1,043					
HIA0317 A	3142711HI0E	054-002733-0	HI	A 303	Newfield Expl. Co.	1022	521					
HIA0317 A	3142711HI0E	054-017209-0	HI	A 304	Newfield Expl. Co.	1022	1,544	3,108	317H1	NGPC		
HIA0334 A	3142711HI0J	054-002423-0	HI	A 334	UNOCAL	1092	3,021					
HIA0334 A	3142711HI0J	054-002738-0	HI	A 335	UNOCAL	1092	322	3,343	334H1	Texas Gas		
HIA0340 A	3142711HI0M	054-002426-0	HI	A 340	PennzEnergy E&P	1089	210					
HIA0340 A	3142711HI0M	054-002739-0	HI	A 339	PennzEnergy E&P	1089	1,824	2,034	340H1	NGPL		
HIA0350 A	3142711HI06	054-002238-0	WC	633	Shell Offshore Inc.	1018	29					
HIA0350 A	3142711HI06	054-002428-0	HI	A 350	Shell Offshore Inc.	1018	2,792	2,821	350H1	Transco		
HIA0356 A	3142711HI0R	054-002746-0	HI	A 356	Pogo Producing Co.	1018	1,552	1,552	356H1	Koch Gateway, NGPC		

FMP Location	FMP No.	Lease/Unit No.	Area	Blk	Lease/Unit Operator	Btu cnt	Lease/ Agre MMBtu per day	FMP Total MMBtu per day	Meter No. at FMP/ Platform	Lateral Pipeline	Onshore Delivery Point	Bid
HIA0370 A	3142711HI0T	054-002434-0	HI	A 370	Kerr-McGee O&G	1017	2,138					
HIA0370 A	3142711HI0T	054-002751-0	HI	A 369	Kerr-McGee O&G	1017	10	2,148	370H1	Transco		
HIA0376 A	3142711HI0U	054-002750-0	HI	A 365	Anadarko Petroleum	1107	136					
HIA0376 A	3142711HI0U	054-002754-0	HI	A 376	Anadarko Petroleum	1107	573	709	376H1	Trunkline, Koch Gateway		
HIA0384 A	3142711HI0O	754-393023-0	HI	384A	Kerr-McGee O&G	1022	2,798					
HIA0384 A	3142711HI0O	054-006364-0	GB	224	Kerr-McGee O&G	1022	2,962	5,760	384H1	Transco		
HIA0467 A	3142709HI06	054-002688-0	HI	A 467	Forcenergy Inc	1025	2,686					
HIA0467 A	3142709HI06	054-003242-0	HI	A 466	Forcenergy Inc	1025	132					
HIA0467 A	3142709HI06	054-017181-0	HI	A 470	Forcenergy Inc	1025	138	2,956	467H1	Transco		
HIA0469 A	3142709HI07	054-002689-0	HI	A 469	UNOCAL	1018	727					
HIA0469 A	3142709HI07	054-003244-0	HI	A 494	Petroquest Energy	1018	2,734	3,461	469H1	El Paso Natural Gas		
HIA0471 A	3142709HI08	054-002690-0	HI	A 471	Newfield Expl. Co.	1016	1,506	1,506	471H1	Transco		
HIA0536 C	3142709HI0L	054-002696-0	HI	A 531	Newfield Expl. Co.	1070	1,240					
HIA0536 C	3142709HI0L	054-002697-0	HI	A 536	Newfield Expl. Co.	1085	36					
HIA0536 C	3142709HI0L	054-002698-0	HI	A 537	Newfield Expl. Co.	1085	646	1,922	536H2	Transco		
HIA0547 B	3142709HI0D	054-002705-0	HI	A 547	Samedan Oil Corp.	1066	898					
HIA0547 B	3142709HI0D	054-002706-0	HI	A 548	Samedan Oil Corp.	1066	17					
HIA0547 B	3142709HI0D	054-002716-0	HI	A 568	Samedan Oil Corp.	1066	1,144					
HIA0547 B	3142709HI0D	054-017199-0	HI	A 545	Shell Offshore Inc.	1066	3,288	5,347	547H1	Samedan, CNG		
HIA0551 C	3042709HI04	054-003757-0	HI	A 551	Forcenergy Inc	1116	2,147	2,147	551H1	Forcenergy, Transco, Koch Gateway		
HIA0552 A	3142709HI0P	054-003757-0	HI	551	Forcenergy Inc	1044	211					
HIA0552 A	3142709HI0P	054-003949-0	HI	552	Forcenergy Inc	1044	104					
HIA0552 A	3142709HI0P	054-006237-0	HI	553	Bellwether Expl. Co.	1013	217	532	552H1	Transco, Koch		
HIA0561 A	3142709HI0R	054-002712-0	HI	A 561	Newfield Expl. Co.	1085	1,627					
HIA0561 A	3142709HI0R	054-014152-0	GA	A 218	Walter O&G Corp.	1085	34	1,661	561H1	CGT		
HIA0563 B	3142709HI0S	054-002388-0	HI	A 563	Texaco E&P Inc.	1064	6,789	6,789	not avail.	Transco		

FMP Location	FMP No.	Lease/Unit No.	Area	Blk	Lease/Unit Operator	Btu cnt	Lease/ Agre MMBtu per day	FMP Total MMBtu per day	Meter No. at FMP/ Platform	Lateral Pipeline	Onshore Delivery Point	Bid
HIA0568 A	3142709HI0U	054-002716-0	HI	A 568	Samedan Oil Corp.	1068	2,987	2,987	568H1	Transco, Koch Gateway		
HIA0571 A	3142709HI0W	054-002390-0	HI	A 570	CNG Producing Co.	1126	8,545					
HIA0571 A	3142709HI0W	054-002391-0	HI	A 571	CNG Producing Co.	1126	11,170					
HIA0571 A	3142709HI0W	054-014194-0	HI	A 576	Kerr-McGee O&G	1098	2,216	21,931	571H1	CNG		
HIA0573 B	3142709HI0X	754-390002-0	HI	571A	UNOCAL	1139	7,170					
HIA0573 B	3142709HI0X	054-002392-0	HI	A 572	UNOCAL	1139	251					
HIA0573 B	3142709HI0X	054-002393-0	HI	A 573	UNOCAL	1139	668					
HIA0573 B	3142709HI0X	054-002757-0	HI	A 382	UNOCAL	1139	77	8,166	573H2	Texas Gas Trans.		
HIA0582 C	3142709HI0Y	054-002719-0	HI	A 582	Texaco E&P Inc.	1070	908	908	not avail.	Transco		
HIA0595 CF	3142709HI0Z	054-002393-0	HI	A 573	UNOCAL	1142	187					
HIA0595 CF	3142709HI0Z	054-002721-0	HI	A 595	UNOCAL	1142	25					
HIA0595 CF	3142709HI0Z	054-002722-0	HI	A 596	UNOCAL	1142	50					
HIA0595 CF	3142709HI0Z	054-002757-0	HI	A 382	UNOCAL	1142	869					
HIA0595 CF	3142709HI0Z	054-013366-0	GB	134	ATP Oil & Gas Corp.	1142	143	1,274	595H1	Texas Gas Trans		
HIA0416 A	3142709HJ0F	054-015793-0	HI	A 415	Tana O&G Corp.	1035	2,866					
HIA0416 A	3142709HJ0F	054-015794-0	HI	A 416	Tana O&G Corp.	1035	608	3,474	416H2	Tana, LL&E		
HIA0497 A	3142709HJ05	054-006231-0	HI	A 497	Coastal Oil & Gas	1015	16					
HIA0497 A	3142709HJ05	054-007338-0	HI	A 496	Coastal Oil & Gas	1015	12					
HIA0497 A	3142709HJ05	054-008184-0	HI	A 519	Coastal Oil & Gas	1015	2,070	2,098	497H1	Coastal Oil & Gas		
HIA0523 A	3142709HJ08	054-011390-0	HI	A 523	Coastal Oil & Gas	1043	1,850	1,850	523H1	Seacrest Co.		
HIA0528 JA	3142709HJ0D	054-013803-0	HI	A 528	Apache Corporation	1039	2,263	2,263	528H1	Apache, Koch Gateway		
HIA0550 A	3142709HJ04	054-004081-0	HI	A 550	Samedan Oil Corp.	1098	11,224					
HIA0550 A	3142709HJ04	054-012584-0	HI	A 549	Samedan Oil Corp.	1098	21	11,245	550H1	TET, Transco, Koch Gateway		
HIA0557 A	3142709HJ07	054-003484-0	HI	A 557	Amerada Hess	1137	273					
HIA0557 A	3142709HJ07	054-006238-0	HI	A 556	Amerada Hess	1137	489	762	557H1	Amerada Hess		
Total HIOS/UTOS Pipeline System (40 FMPs)								124,480				

FMP Location	FMP No.	Lease/Unit No.	Area	Blk	Lease/Unit Operator	Btu cnt	Lease/ Agre MMBtu per day	FMP Total MMBtu per day	Meter No. at FMP/ Platform	Lateral Pipeline	Onshore Delivery Point	Bid
Pelican Gas Gathering System												
HI 0129 CPF	3042710O000	054-001848-0	HI	129	Anadarko Petroleum	1061	1,132	1,132	not avail.	Dynegy		
WC 0091 # 2	3017700O003	054-013557-0	WC	91	Sonata Exploration	1029	1,494					
WC 0091 # 2	3017700O003	054-013829-0	WC	92	ATP Oil & Gas Corp.	1048	116	1,610	not avail.	Sonata Exp. GOM, Dynegy		
WC 0289 A	3017701O000	054-004818-0	WC	290	Samedan Oil Corp.	1065	1,863					
WC 0289 A	3017701O000	054-005299-0	WC	163	Forcenergy Inc	1061	420	2,283	9782	PG&E, Dynegy		
Total Pelican Gas Gathering System (3 FMPs)								5,025				
Stingray Pipeline System												
EC 0320 A	3017704Y00A	054-010636-0	EC	320	Samedan Oil Corp.	1103	1,384	1,384	10606	direct connect		
EC 0338 A	3017704Y004	054-002063-0	EC	338	Kerr-McGee O&G	1103	205					
EC 0338 A	3017704Y004	054-013592-0	EC	356	EEX Corporation	1113	47					
EC 0338 A	3017704Y004	054-014385-0	EC	349	EEX Corporation	1113	1,049					
EC 0338 A	3017704Y004	054-015157-0	EC	350	EEX Corporation	1113	235	1,536	5443	direct connect		
EC 0359 A	3017704Y007	054-002567-0	EC	359	Anadarko Petroleum	1046	185					
EC 0359 A	3017704Y007	054-012856-0	EC	378	Sonata Exploration	1028	2,649	2,834	5955	Trunkline, NGPL		
GB 0072 A	3060807Y001	054-013367-0	GB	161	PennzEnergy E&P	1082	1,904					
GB 0072 A	3060807Y001	054-012631-0	GB	117	Flextrend Dev. Co.	1132	361					
GB 0072 A	3060807Y001	054-013363-0	GB	72	Flextrend Dev. Co.	1125	557	2,822	10636	direct connect		
GB 0191 A	3060807Y000	054-006359-0	GB	191	Chevron U.S.A. Inc.	1015	6,669	6,669	25015	direct connect		
VR 0214 A	3017705Y000	054-002076-0	VR	214	Chevron U.S.A. Inc.	1091	3,020					
VR 0214 A	3017705Y000	054-011877-0	VR	213	NCX Company, Inc.	1093	24	3,044	6187	direct connect		
VR 0320 A	3017706Y000	054-002087-0	VR	320	Hall-Houston Oil Co.	1047	305					
VR 0320 A	3017706Y000	054-019769-0	VR	325	Hall-Houston Oil Co.	1047	727	1,032	7117	direct connect		
VR 0321 A	3017706Y002	054-002088-0	VR	321	CXY Energy	1090	2,915					
VR 0321 A	3017706Y002	054-003138-0	VR	302	CXY Energy	1090	1,544	4,459	490	direct connect		

FMP Location	FMP No.	Lease/Unit No.	Area	Blk	Lease/Unit Operator	Btu cnt	Lease/ Agre MMBtu per day	FMP Total MMBtu per day	Meter No. at FMP/ Platform	Lateral Pipeline	Onshore Delivery Point	Bid
VR 0340 A	3017706Y005	054-002090-0	VR	339	CXY Energy	1079	1,042					
VR 0340 A	3017706Y005	054-002091-0	VR	340	CXY Energy	1079	852	1,894	491	NGPL		
VR 0348 A	3017706Y006	054-002271-0	VR	348	Pioneer Natural Res.	1004	643	643	922	NGPL		
VR 0371 A	3017706Y001	754-393006-0	VR	371	Samedan Oil Corp.	1084	2,990	2,990	10547	direct connect		
VR 0410 A	3017706Y00B	054-011853-0	EC	362	ATP Oil & Gas Corp.	1029	227					
VR 0410 A	3017706Y00B	054-011903-0	VR	410	ATP Oil & Gas Corp.	1029	1,832					
VR 0410 A	3017706Y00B	054-014430-0	VR	389	ATP Oil & Gas Corp.	1029	250					
VR 0410 A	3017706Y00B	054-014435-0	VR	409	ATP Oil & Gas Corp.	1029	860	3,169	10766	ATP Oil & Gas Corp.		
WC 0170 A	3017700Y003	054-004085-0	WC	170	CXY Energy	1059	1,016	1,016	2496	NGPL		
WC 0172 D	3017700Y00N	054-001998-0	WC	172	IP Petroleum Co.	1053	3,671	3,671	unavail.	IP Petroleum		
WC 0196 A	3017700Y00K	054-003264-0	WC	197	UNOCAL	1041	7,145					
WC 0196 A	3017700Y00K	054-005292-0	WC	196	UNOCAL	1041	1,317	8,462	4980	UNOCAL		
WC 0269 JA	3017700Y00W	054-013563-0	WC	269	Shell Offshore Inc.	1121	4,297					
WC 0269 JA	3017700Y00W	054-013838-0	WC	266	Shell Offshore Inc.	1121	297					
WC 0269 JA	3017700Y00W	054-015073-0	WC	270	Shell Offshore Inc.	1121	2,029	6,623	10722	Shell Offshore Inc.		
WC 0368 A	3017701Y00F	054-005315-0	WC	368	Century Off. Mgmt.	1026	357					
WC 0368 A	3017701Y00F	054-015083-0	WC	364	Vastar Res. Inc.	1017	227	584	5924	Century		
WC 0431	3017701Y00Q	054-010584-0	WC	431	Sonat Exploration	1002	1,990	1,990	11342	Sonat Expl.		
WC 0522 A	3017702Y00B	054-014340-0	WC	522	Newfield Expl. Co.	1070	576					
WC 0522 A	3017702Y00B	054-015107-0	WC	521	CNG Producing Co.	1038	78	654	5917	TET		
WC 0533 A	3017702Y003	891-016152-0	WC	533	PennzEnergy E&P	1013	435					
WC 0533 A	3017702Y003	054-002225-0	WC	533	PennzEnergy E&P	1013	3,136	3,571	496	direct connect		
WC 0536 A	3017702Y00N	054-004773-0	WC	536	Santa Fe Snyder Corp.	1056	2,086	2,086	7120	Sabine Pipeline Co.		
WC 0544 A	3017702Y00X	054-012802-0	WC	543	Apache Corporation	1043	778					
WC 0544 A	3017702Y00X	054-014342-0	WC	544	Apache Corporation	1043	228	1,006	25725	Petsec Energy, Inc.		
WC 0551 A	3017702Y009	054-002555-0	WC	551	PennzEnergy E&P	1014	781	781	498	NGPL		

IFB No. MMS-R1K-2000-GOMR-002												
FMP Location	FMP No.	Lease/Unit No.	Area	Blk	Lease/Unit Operator	Btu cnt	Lease/ Agre MMBtu per day	FMP Total MMBtu per day	Meter No. at FMP/ Platform	Lateral Pipeline	Onshore Delivery Point	Bid
WC 0560 A	3017702Y00A	054-003283-0	WC	560	PennzEnergy E&P	1029	4					
WC 0560 A	3017702Y00A	054-004094-0	WC	561	PennzEnergy E&P	1029	59					
WC 0560 A	3017702Y00A	054-004410-0	WC	553	PennzEnergy E&P	1029	1					
WC 0560 A	3017702Y00A	054-004844-0	WC	575	PennzEnergy E&P	1029	4,322	4,386	504	NGPL		
WC 0564 A	3017702Y00C	054-002014-0	WC	564	Chevron U.S.A. Inc.	1034	3,519	3,519	501	NGPL		
WC 0565 A	3017702Y00D	054-002015-0	WC	565	Shell Offshore Inc.	1013	2,449	2,449	502	direct connect		
WC 0593 A	3017702Y00H	054-002023-0	WC	593	UNOCAL	1135	221					
WC 0593 A	3017702Y00H	054-002024-0	WC	594	UNOCAL	1135	1,667	1,888	5907	CGT		
Total Stingray Pipeline System (27 FMPs)								75,162				
Transco/NHIS Pipeline System												
GA 0239 A	3042706OO03	054-009032-0	GA	239	Walter O&G Corp.	1096	2,095	2,095	1608-1	Walter O&G Corp.		
HI 0110 A	3042708OO03	054-002353-0	HI	110	Texaco E&P Inc.	1067	1,071					
HI 0110 A	3042708OO03	054-002354-0	HI	111	Texaco E&P Inc.	1067	1,373	2,444	1278	direct connect		
HI 0140 A	3042708OO06	055-000518-0	HI	140	PennzEnergy E&P	1071	1,272	1,272	1346	PennzEnergy E&P		
HI 0176 A	3042708OO0G	054-006164-0	HI	176	Exxon Corporation	1053	152					
HI 0176 A	3042708OO0G	054-006167-0	HI	195	Apache Corporation	1027	6,486					
HI 0176 A	3042708OO0G	054-006168-0	HI	196	Exxon Corporation	1053	1,577	8,215	1522	Apache Corp.		
HI 0177 A	3042708OO0F	054-006165-0	HI	177	W&T Offshore, Inc.	1101	961	961	1545	W&T Offshore, Inc.		
HI 0179 A	3042708OO08	054-003229-0	GA	192	Exxon Corporation	1090	375					
HI 0179 A	3042708OO08	054-003237-0	HI	193	Exxon Corporation	1090	4,931					
HI 0179 A	3042708OO08	054-006093-0	GA	209	Exxon Corporation	1090	13,153					
HI 0179 A	3042708OO08	054-006166-0	HI	194	Shell Offshore Inc.	1090	5,847					
HI 0179 A	3042708OO08	054-015740-0	GA	151	Mariner Energy Inc.	1090	5,643					
HI 0179 A	3042708OO08	754-388006-0	HI	179	Shell Offshore Inc.	1090	1,413	31,362	1391	direct connect		
HI 0207 A	3042708OO0M	054-007286-0	HI	208	Coastal Oil & Gas	1122	2,279					
HI 0207 A	3042708OO0M	054-008151-0	HI	207	EOG Resources, Inc.	1048	2,650	4,929	1609	EOG		

FMP Location	FMP No.	Lease/Unit No.	Area	Blk	Lease/Unit Operator	Btu cnt	Lease/ Agre MMBtu per day	FMP Total MMBtu per day	Meter No. at FMP/ Platform	Lateral Pipeline	Onshore Delivery Point	Bid
HI 0235 #1	3042708OO05	054-018941-0	HI	235	Spinnaker Expl. Co.	1075	3,952	3,952	not avail.	Spinnaker		
HIA0021 A	3042708OO0L	054-006180-0	HI	A 22	Walter O&G Corp.	1062	1,548					
HIA0021 A	3042708OO0L	054-011365-0	HI	A 21	Walter O&G Corp.	1062	16	1,564	1582	Walter O&G Corp.		
WC 0039 A	3017700O006	054-013825-0	WC	39	Spinnaker Expl. Co.	1037	1,138	1,138	2223-1	Spinnaker		
Total Transco/NHIS Pipeline System (10 FMPs)								57,932				
Total All Systems (88 FMPs)								281,657				

Monthly (6/6) Production Flowing Through FMPs (MMBtus)

FMP Location	FMP No.	Nov'98	Dec'98	Jan'99	Feb'99	Mar'99	Apr'99	May'99	Jun'99	Jul'99	Aug'99	Sep'99	Oct'99
ANR Pipeline System													
HI 0167 A	3142710HI03	188,345	172,755	147,421	156,995	180,813	150,084	165,203	144,808	135,686	146,852	221,673	118,443
WC 0165 A	3117700HI09	590,443	568,452	546,666	497,614	525,938	474,458	437,508	418,033	459,801	454,254	425,157	n/a
WC 0182 A	3117700HI0X	378,617	353,480	146,714	305,030	387,405	337,092	408,406	392,187	n/a	n/a	n/a	n/a
WC 0204 A	3017700HI00	905,379	917,545	538,724	398,736	306,942	235,211	191,405	152,631	119,189	n/a	n/a	n/a
WC 0205 A	3117700HI06	1,411,839	1,612,560	1,523,325	1,364,755	1,389,933	1,367,900	1,460,025	1,423,355	1,432,804	1,360,993	1,259,944	n/a
WC 0238 A	3117700HI07	143,747	202,009	201,300	155,311	124,903	126,996	125,953	113,858	143,875	227,171	198,654	n/a
WC 0294 A	3117700HI0C	632,331	598,196	558,885	598,536	565,794	521,044	426,184	384,474	371,865	371,801	280,759	264,648
WC 0306 A	3017701HI0N	536,113	563,097	507,311	490,110	508,615	182,907	192,168	178,022	177,035	159,292	141,846	121,144

HIOS/UTOS Pipeline System

EB 0110 A	3160804HI02	604,619	615,780	617,570	548,044	572,727	567,440	587,050	575,667	573,873	562,231	571,191	583,988
EB 0160 A	3160804HI00	2,015,400	2,178,799	2,200,678	1,969,150	2,096,315	2,037,811	2,099,307	1,946,105	1,651,465	1,466,222	1,571,533	1,727,829
EB 0165 A	3160804HI01	101,227	98,875	195,887	239,517	236,933	209,863	223,090	222,121	238,075	204,216	184,882	208,885
HIA0244 A	3142711HI00	154,691	105,321	109,529	97,315	83,655	128,806	110,361	145,404	167,839	159,030	172,973	98,808
HIA0263 B	3142711HI0V	218,989	212,084	212,297	175,219	179,018	107,125	78,603	61,092	54,385	82,070	130,869	n/a
HIA0270 A	3142711HI01	294,451	451,398	426,586	370,338	317,699	249,698	300,127	81,365	87,810	84,671	67,837	73,264
HIA0271 A	3142711HI0Z	221,774	179,450	129,144	117,145	92,964	72,773	73,605	62,219	50,352	22,232	19,133	n/a
HIA0283 A	3142711HI05	114,404	99,129	71,458	139,661	148,114	128,759	107,520	184,410	178,338	189,074	n/a	n/a
HIA0287 A	3142711HI08	235,655	228,134	187,431	120,461	97,007	71,275	102,228	93,498	65,616	35,511	85,753	86,249
HIA0309 A	3142711HI0B	670,582	621,427	644,174	497,834	492,631	448,783	691,855	382,368	300,842	303,203	278,490	n/a
HIA0310 B	3142711HI0X	209,927	205,453	194,400	146,474	103,126	101,796	116,083	106,620	100,818	143,120	86,867	n/a
HIA0312 A	3142711HI02	372,619	325,003	307,296	250,573	257,415	316,905	144,864	68,762	68,561	90,845	108,896	88,134
HIA0317 A	3142711HI0E	1,277,809	1,401,659	1,338,106	1,178,669	1,248,030	1,190,318	1,155,017	919,409	690,914	548,080	438,978	187,318
HIA0334 A	3142711HI0J	692,366	714,003	674,154	552,937	509,496	523,624	587,839	666,517	672,240	504,707	628,068	484,117
HIA0340 A	3142711HI0M	496,292	531,988	551,570	488,032	558,779	510,164	486,917	391,737	439,560	402,752	338,041	357,992
HIA0350 A	3142711HI06	470,981	641,883	630,222	542,603	553,737	511,844	528,737	498,808	488,512	487,449	547,847	550,841
HIA0356 A	3142711HI0R	294,216	317,737	320,383	292,720	288,872	302,471	294,552	292,120	270,458	281,446	286,089	281,701
HIA0370 A	3142711HI0T	512,127	525,214	501,140	442,746	421,043	412,626	412,117	369,064	416,510	399,302	344,438	371,103
HIA0376 A	3142711HI0U	154,060	142,865	150,858	134,962	125,568	139,725	141,196	130,929	139,843	136,663	127,377	118,484
HIA0384 A	3142711HI0O	1,044,462	1,034,360	1,047,547	919,106	963,906	1,208,224	1,371,757	1,402,254	1,284,024	1,357,860	1,273,731	1,311,347
HIA0467 A	3142709HI06	723,470	676,342	686,602	644,672	685,064	620,557	560,958	526,457	543,868	525,463	n/a	n/a
HIA0469 A	3142709HI07	26,281	27,373	27,142	32,219	32,325	58,864	142,127	135,400	476,719	622,502	639,000	555,448
HIA0471 A	3142709HI08	534,089	532,387	508,105	379,112	302,985	293,104	300,692	239,206	273,078	n/a	n/a	n/a
HIA0536 C	3142709HI0L	468,320	423,515	361,564	314,115	369,724	324,492	434,471	396,865	343,213	345,356	349,221	243,123
HIA0547 B	3142709HI0D	840,879	817,152	935,687	856,142	934,360	883,764	902,186	919,339	1,075,343	944,119	858,394	790,560
HIA0551 C	3042709HI04	448,177	464,553	653,338	648,635	710,641	689,587	699,122	687,069	551,803	341,480	266,167	278,873
HIA0552 A	3142709HI0P	626,147	410,366	335,573	257,777	266,599	231,877	153,415	85,037	61,034	136,054	50,635	86,569
HIA0561 A	3142709HI0R	429,136	425,323	416,653	370,490	384,623	383,409	402,419	380,573	233,308	282,897	n/a	354,311
HIA0563 B	3142709HI0S	1,548,308	1,463,505	1,495,588	1,333,401	1,432,675	1,351,850	1,308,088	1,239,108	1,183,388	1,296,069	1,416,446	1,338,526
HIA0568 A	3142709HI0U	1,155,547	1,181,359	1,165,196	1,066,932	1,099,534	1,088,277	1,095,673	1,059,545	1,044,985	737,975	715,895	720,783
HIA0571 A	3142709HI0W	3,548,325	3,383,488	3,858,433	3,229,597	3,766,654	3,447,415	3,388,332	3,489,071	3,027,880	2,066,810	2,274,009	464,152
HIA0573 B	3142709HI0X	2,293,582	2,249,294	2,106,740	1,970,482	2,282,066	2,207,881	2,108,680	1,965,607	1,893,746	1,548,917	925,856	939,998

Monthly (6/6) Production Flowing Through FMPs (MMBtus)

FMP Location	FMP No.	Nov'98	Dec'98	Jan'99	Feb'99	Mar'99	Apr'99	May'99	Jun'99	Jul'99	Aug'99	Sep'99	Oct'99
HIA0582 C	3142709HI0Y	189,110	194,952	187,577	167,446	176,896	179,222	177,041	170,543	171,317	156,501	162,713	143,609
HIA0595 CF	3142709HI0Z	562,851	532,939	470,648	323,346	348,733	293,384	214,426	193,718	249,473	215,867	182,616	293,592
HIA0416 A	3142709HJ0F	820,590	710,656	668,153	604,616	615,509	434,929	n/a	n/a	n/a	n/a	n/a	n/a
HIA0497 A	3142709HJ05	35,732	28,751	37,508	244,480	414,226	397,243	407,222	358,333	266,426	234,238	251,162	n/a
HIA0523 A	3142709HJ08	277,859	264,694	214,200	215,849	238,707	209,170	213,056	246,072	217,938	231,578	216,610	n/a
HIA0528 JA	3142709HJ0D	241,933	226,075	209,313	229,555	266,999	272,969	278,357	270,584	265,623	n/a	n/a	n/a
HIA0550 A	3142709HJ04	2,162,061	2,085,405	2,025,126	1,774,604	1,851,002	1,790,106	1,732,649	1,615,828	1,649,647	1,347,855	1,045,698	1,091,295
HIA0557 A	3142709HJ07	157,410	168,998	145,956	123,971	125,841	124,942	117,067	97,642	99,410	89,186	85,836	76,074

Pelican Gas Gathering System

HI 0129 CPF	3042710O000	103,176	125,205	136,757	123,061	138,297	130,359	135,520	130,772	136,289	137,711	132,489	137,339
WC 0091 # 2	3017700O003	247,034	216,171	267,761	419,749	408,946	335,815	210,746	135,312	n/a	n/a	n/a	n/a
WC 0289 A	3017701O000	375,656	382,419	255,644	280,812	272,992	218,633	173,180	323,133	359,819	359,787	513,831	602,287

Stingray Pipeline System

EC 0320 A	3017704Y00A	263,270	273,006	296,414	250,346	262,694	271,946	278,671	256,592	258,147	248,643	240,380	248,507
EC 0338 A	3017704Y004	351,905	389,908	242,971	187,212	214,935	194,090	241,721	221,248	283,637	293,680	255,142	264,248
EC 0359 A	3017704Y007	573,066	584,534	578,232	511,163	579,939	566,368	579,872	543,876	520,039	515,006	495,485	n/a
GB 0072 A	3060807Y001	304,597	318,763	253,631	193,460	200,512	189,974	190,728	173,471	151,319	174,609	78,927	427,755
GB 0191 A	3060807Y000	1,450,547	1,777,819	1,466,302	1,355,599	1,489,245	1,288,629	1,315,691	1,117,245	1,023,310	1,443,094	1,134,872	1,142,085
VR 0214 A	3017705Y000	809,912	926,952	857,283	594,048	647,461	918,975	881,954	550,169	419,441	555,850	668,266	849,824
VR 0320 A	3017706Y000	- 0 -	- 0 -	- 0 -	145,205	355,314	189,271	269,667	224,749	180,196	127,618	99,461	327,959
VR 0321 A	3017706Y002	1,056,562	995,350	959,030	837,728	910,216	860,138	869,583	836,948	851,736	756,647	516,619	522,021
VR 0340 A	3017706Y005	488,047	414,958	419,504	297,404	414,104	358,190	387,139	397,729	340,863	311,451	370,272	377,583
VR 0348 A	3017706Y006	187,107	453,530	546,997	446,250	386,674	269,311	222,320	187,080	140,823	123,976	107,342	117,517
VR 0371 A	3017706Y001	301,394	305,255	304,179	247,501	272,425	253,710	247,489	239,998	240,430	395,021	979,083	756,824
VR 0410 A	3017706Y00B	1,202,600	1,004,715	895,082	777,558	823,833	799,228	643,709	622,539	517,767	531,549	159,206	156,588
WC 0170 A	3017700Y003	64,053	33,687	77,501	65,931	177,709	229,099	209,109	182,783	185,228	180,880	n/a	n/a
WC 0172 D	3017700Y00N	- 0 -	110,828	676,660	586,549	584,003	618,656	670,024	825,511	n/a	n/a	n/a	n/a
WC 0196 A	3017700Y00K	2,234,697	2,194,821	2,073,355	1,770,285	1,857,475	1,731,800	1,721,248	1,572,338	1,598,994	1,562,344	1,400,226	1,328,632
WC 0269 JA	3017700Y00W	1,835,292	1,505,275	1,173,229	709,497	697,688	590,607	588,921	1,278,043	1,338,514	1,228,156	1,009,856	856,563
WC 0368 A	3017701Y00F	452,439	267,714	317,686	304,230	177,137	123,928	97,806	110,647	86,220	112,468	124,971	128,852
WC 0431	3017701Y00Q	395,311	299,531	362,948	322,763	361,254	352,203	371,993	350,592	n/a	n/a	n/a	n/a
WC 0522 A	3017702Y00B	373,832	210,439	151,390	184,356	172,769	124,823	142,751	148,279	86,276	71,450	195,395	325,723
WC 0533 A	3017702Y003	474,027	471,131	488,945	422,017	465,465	420,109	227,417	651,734	680,436	707,101	687,852	533,535
WC 0536 A	3017702Y00N	38,153	33,056	35,643	26,798	35,732	79,965	432,449	142,172	302,162	425,460	398,743	502,487
WC 0544 A	3017702Y00X	317,562	381,566	361,350	233,618	212,655	445,690	395,408	350,979	305,757	163,699	73,399	158,576
WC 0551 A	3017702Y009	146,813	142,197	149,098	128,865	157,874	144,534	156,953	147,304	152,053	143,075	143,898	134,866
WC 0560 A	3017702Y00A	662,753	703,487	721,726	570,806	659,993	897,655	945,883	891,438	872,861	850,686	781,450	735,673
WC 0564 A	3017702Y00C	685,067	816,972	779,853	695,453	737,793	701,993	622,796	659,690	667,035	644,893	588,558	567,834
WC 0565 A	3017702Y00D	220,644	298,944	376,857	602,143	654,888	620,806	583,447	553,313	495,109	490,684	363,561	393,194
WC 0593 A	3017702Y00H	367,928	377,045	361,276	328,663	360,021	342,441	350,196	335,079	348,562	333,851	337,249	311,520

Monthly (6/6) Production Flowing Through FMPs (MMBtus)

FMP Location	FMP No.	Nov'98	Dec'98	Jan'99	Feb'99	Mar'99	Apr'99	May'99	Jun'99	Jul'99	Aug'99	Sep'99	Oct'99
Transco/NHIS Pipeline System													
GA 0239 A	3042706OO03	60,790	68,480	452,388	442,867	470,216	396,548	397,951	366,397	391,017	379,497	360,993	384,629
HI 0110 A	3042708OO03	489,591	491,322	491,377	427,828	469,197	542,808	486,756	470,274	466,589	424,940	428,230	431,196
HI 0140 A	3042708OO06	104,122	105,319	111,449	74,177	179,631	188,005	214,829	192,713	232,601	236,039	217,408	233,482
HI 0176 A	3042708OO0G	1,859,099	1,771,847	1,697,040	1,454,053	1,460,170	819,646	1,585,150	1,593,508	1,601,527	1,519,138	1,390,393	1,424,809
HI 0177 A	3042708OO0F	172,208	218,362	191,794	165,075	161,896	177,255	157,769	181,048	178,326	174,831	165,568	n/a
HI 0179 A	3042708OO08	4,764,754	5,201,010	5,244,011	4,903,613	4,955,768	4,916,284	4,892,625	4,643,077	4,429,296	4,985,121	4,610,388	4,722,422
HI 0207 A	3042708OO0M	574,968	674,319	708,356	670,979	812,368	840,588	1,012,207	902,619	481,346	497,090	n/a	n/a
HI 0235 #1	3042708OO05	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	213,611	812,570	721,878	599,840	n/a	n/a	n/a
HIA0021 A	3042708OO0L	330,031	240,461	295,416	286,518	312,920	268,075	290,944	283,735	292,242	280,770	271,373	255,882
WC 0039 A	3017700OO06	- 0 -	- 0 -	24,148	55,973	156,534	165,967	181,921	95,151	38,580	n/a	n/a	n/a

EXHIBIT C

PREQUALIFICATION SOLICITATION

**ROYALTY GAS BIDDERS
ROYALTY IN KIND PROGRAM
GULF OF MEXICO PILOT- IFB MMS-RIK-2000-GOMR-002**

issued by

U.S. Department of the Interior
Minerals Management Service
Procurement and Property Management Division
Procurement Operations Branch
381 Elden Street, MS 2500
Herndon, Virginia 22070-4817

PAPERWORK REDUCTION ACT STATEMENT: The Paperwork Reduction Act of 1995 requires us to inform you that the Minerals Management Service (MMS) collects this information to document fulfillment of royalty obligations and sales of minerals from leases on Federal lands. We will use this information to evaluate bids for sale of royalty production. Proprietary information is protected according to standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U. S. C. 1733), the Freedom of Information Act (5 U.S., 552 (b)(4), and the Departmental Regulations (43 CFR 2). Responses are required to obtain a benefit. Comments on the accuracy of this burden or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, MMS, 1849 C Street, N. W., Washington DC 20240.

COVER PAGE

The Minerals Management Service (MMS) is soliciting applications from energy companies and organizations that wish to be designated as prequalified to bid on the royalty portion of natural gas produced from offshore leases in the Gulf of Mexico. This opportunity is specific to the solicitation for bids posted on or about January 21, 2000 on the MMS Web site. This solicitation consists of this Cover Page and the attached Requestor's Signature Page.

The royalty gas will be disposed within MMS' royalty in kind (RIK) pilot program testing the RIK concept. The January 21, 2000, offering will be for a 7-month term beginning on April 1, 2000.

MMS will review and analyze financial statements submitted by energy companies or organizations in response to this request in conjunction with publicly available information. Those companies that are deemed qualified by MMS to purchase royalty gas will be so notified. MMS will only consider competitive bids from prequalified companies.

Potential purchasers of Federal gas in this RIK pilot program must certify that the company's total revenues from buying and selling natural gas have not been less than the following during any calendar year from 1994 through 1998, inclusively:

BID	QUALIFYING LEVEL
All Pipelines	\$265 Million
Pelican Pipeline	\$5 Million
Transco N High Island Pipeline	\$50 Million
Stingray Pipeline	\$65 Million
HIOS/UTOS Pipelines	\$130 Million
ANR Nearshore LA Pipeline	\$15 Million

For joint ventures and partnering arrangements, only one of the partners is required to qualify, provided that each of the partners is jointly and severally liable with respect to all obligations in this solicitation. MMS requests interested energy companies/organizations complete and fax the attached Requestor's Signature Page with the most current company Financial Statement to:

U.S. Department of the Interior, Minerals Management Service
Attn: Mr. Doug Ivey
1700 North Congress Ave
Austin, TX 78701-1495
Telefax (512) 475-1404

Prequalification applications must be submitted by no later than January 28, 2000 to the above address to be approved as a qualified bidder. Only qualified potential purchasers will be allowed to bid for royalty gas volumes made available.

REQUESTOR'S SIGNATURE PAGE
GULF OF MEXICO RIK PILOT; IFB MMS-RIK-2000-GOMR-002

REQUESTOR'S BUSINESS NAME: _____

ADDRESS: _____

CORPORATE OR PARTNERSHIP OFFICER: _____

TYPED NAME AND TITLE: _____

DATE: _____

POINT OF CONTACT NAME AND TITLE: _____

POINT OF CONTACT PHONE AND FAX: _____

POINT OF CONTACT EMAIL ADDRESS: _____

CORPORATE SEAL: _____

Requests by corporations must be executed over the corporate seal.

We certify that we are a qualified bidder as described in the Cover Page of this solicitation and that the information, representations and certifications included in the attached Financial Statement are accurate.

EXHIBIT D

Dear Operator:

The Minerals Management Service (MMS) has selected one or more Gulf of Mexico lease(s) that you operate to be included in a pilot project (Pilot) in which we will take natural gas royalties in kind beginning April 1, 2000. For the term of the Pilot, natural gas royalties will be taken in kind from offshore leases as defined in the Outer Continental Shelf Lands Act of 1953 (OCSLA, 43 U.S.C. 1337(g)). The purpose of the Pilot is to examine the methods and feasibility of taking natural gas royalties in kind.

This letter provides the procedures and establishes the terms and conditions under which the United States (Lessor) will take royalty gas in kind during this project. Our authority is the Outer Continental Shelf Lands Act at 43 U.S.C. 1353, and the royalty provisions contained in your Federal lease(s). For the purposes of this letter, royalty gas means the daily Federal lease production multiplied by the lease royalty rate.

Term

The Lessor will take all royalty gas from the properties listed in the enclosure beginning on the 1st day of April 2000 and ending on the last day of the month subsequently designated by the Lessor as the date of termination. The Lessor will provide Lessee and Operator with a minimum 30-day prior written notice of termination of in-kind status and will attempt to provide 45-day notice of termination, if possible.

Royalty-in-Kind Applicability

You must deliver all royalty gas to the Lessor from the selected leases, including royalty gas from newly producing wells on these leases or newly producing leases added to commingling agreements. Royalty gas must be placed in marketable condition at no cost to the Lessor. Marketable condition means the condition generally acceptable to purchasers in the field or area. Questions regarding marketable condition should be directed to the Lessor's Program Coordinator (under "Lessor Point of Contact" at the end of this letter).

The amount of any flash gas allocable to the lease obtained downstream of the Facility Measurement Point (FMP) will be included in subsequent month volume adjustments as described under "Balancing Account and Imbalances".

Royalty Gas Delivery

The Lessor will take delivery of the royalty gas at the Delivery Point. The Lessee must deliver or accomplish delivery of royalty gas to the Lessor at the Delivery Point at the same frequency as it is produced and transported from the property. Unless otherwise agreed, delivery will be assumed to be daily.

The Delivery Point for royalty gas produced from the selected leases is the FMP that is approved by MMS as the royalty settlement point. If there is more than one approved FMP, after consultation with you, we will designate in writing one or more FMP as the delivery point(s). The Lessor shall have custody, possession, and responsibility for royalty gas beyond the delivery point.

We are not requiring you to process the royalty gas.

Fulfillment of Royalty Obligations

Delivery of the accurate volume of royalty gas (taking into account the effects of normal operational imbalances) in accordance with the terms of this letter will satisfy in full the Lessee's royalty obligation to the Lessor. However, the rights, duties, and obligations that currently exist between the Lessor, Lessee, and Operator for natural gas avoidably lost prior to the FMP or gas used on or for the benefit of the lease under 30 CFR part 202 remain in effect.

All rent or minimum royalty obligations on any property in this program remain the responsibility of the Lessee. If we believe that the Lessee owes minimum royalties, we will issue an appropriate order to pay. The Lessee will have 30 days to review the bill and make payment or appeal the bill.

Lessor Obligation to Take

The Lessor agrees to take 100 percent of the royalty gas delivered daily for the account of the Lessor or its designee at the Delivery Point. The Lessor, using customary industry practices set forth in GISB standards and the Council of Petroleum Accountants Societies (COPAS) White Paper on Producer and Operator Roles and Responsibilities for nominating and scheduling transportation services, will exercise its best efforts to minimize the occurrence of imbalances with you and other lessees. Where possible, you will use a predetermined allocation equal to the royalty rate.

To facilitate timely and accurate custody transfer of royalty gas, the Lessor will communicate with you and make arrangements for the transfer of royalty gas from the Delivery Point(s). The Lessor will incur all transportation-related penalties incurred beyond the delivery point if, through no fault of your own, the Lessor fails to nominate gas volumes for transportation consistent with your communication regarding volumes to be delivered. The Lessee will incur no royalty-related penalties because of the

Lessor's failure to nominate or take delivery of gas volumes as communicated by the Operator.

Communication with Lessor

No later than 8 calendar days before the first day of each month, you must notify the Lessor of the daily royalty gas volumes anticipated for the following month of production. You may make other arrangements for timely notification only if acceptable to the Lessor. The Lessor understands that any such estimate is not a warranty of actual deliveries to be made but is provided to facilitate planning.

You must also use reasonable efforts, consistent with industry practice, to inform the Lessor regarding significant changes in gas production levels and/or royalty shares anticipated for project properties. Such communication must occur as soon as practicable after you know of such anticipated changes in production levels.

Balancing Account and Imbalances (Lease Level Imbalances)

Requirements for handling imbalances are outlined below:

- Imbalances will be determined based on the difference between the royalty share of production and the actual volumes delivered. These imbalances will be maintained at a lease or agreement level.
- You, as the Operator, must provide the lease imbalance statement to MMS no later than 45 days after the end of the month of production, unless MMS approves an alternative timeframe for submission of the statement.
- Deliveries for the month following the month when the imbalance statement is due will be adjusted to provide for volumetric make-up of the monthly imbalances.
- Ordinary imbalances remaining upon cessation of the royalty in-kind term or cessation of production will be settled based on the first-of-month index or indices listed for each property in the enclosure. This index (indices), net of transportation costs from the lease for the final month of delivery, will be used to value the final imbalance. The applicable over- or under-taken lessees will report the imbalance volume and value on the Report of Royalty Sales and Remittance (Form MMS-2014) as either a positive or negative for the final month of delivery. Interest will accrue from 60 days after the final month of delivery.

Volume Reconciliations

The MMS analysts will monitor and reconcile production and volumes delivered with additional data, including pipeline data. MMS will attempt to reconcile volumes as soon as practicable. Reconciliations will involve communication between you and the Lessor. Upon project termination, you, as the

Operator, must issue a final gas imbalance statement. You will settle in accordance with the section "Balancing Account and Imbalances."

Reporting

You must continue to report natural gas production to MMS on the Oil and Gas Operations Report (OGOR) or Monthly Report of Operations (Form MMS-3160), as applicable, under current requirements and frequencies as specified in MMS regulations and the *MMS PAAS Reporter Handbook*. You will not be required to report natural gas information for the leases in this program on the Form MMS-2014 or other similar form for the term during which the Lessor takes royalty in kind, except under provisions described below in this section and under provisions described above under "Balancing Account and Imbalances." Reporting and payment requirements for production and royalties for any crude oil or condensate for the leases included in this natural gas royalty in-kind program will not change. Reporting will not change for leases not included in this program.

You must report any transportation allowances and any final imbalances on a separate Form MMS-2014 using a unique payor code. You will report separate entries for the allocated volume and values of transportation costs and final imbalances for each of the lease(s) identified in the enclosure. The payor code you will use for this monthly Form MMS-2014 is _____. You must modify your regular monthly payment to MMS as shown on your Form MMS-2014 for payor code _____ by the net revenue total from this separate "RIK" Form MMS-2014 and indicate on your submittal letter that you have done so.

Lessor's Designee

At times, the Lessor may act by or through a duly authorized designee. In such event, the Lessor will provide you with prior written notification of the identity of its designee(s) including the person to contact. Such notification will include specific duties that will be handled by the designee on behalf of the Lessor. The Lessor also will provide written notification to you when the designee is no longer authorized to act on Lessor's behalf for the purposes of this letter. You are authorized to communicate with the designee as specified in the notification. You will not be required to direct communications to both the Lessor and its designee. For purposes of this letter, if the Lessor notifies you that it will use a designee in the Pilot, references to Lessor shall refer to the Lessor's designee.

Lessor shall require the designee to agree in writing that the designee is required to comply with all provisions of this letter that are applicable to Lessor when it acts on behalf of Lessor.

Audit Rights

The Lessor may audit your records regarding all information relevant to volumes and qualities of royalty gas produced, stored, used on the lease, measured, delivered, and, if applicable, transported. The

MMS reserves the right to examine the financial records of you and the Lessees of the subject properties related to any transportation expenditures incurred prior to the delivery point.

Lessees, Operators, and revenue payors must maintain all records of transactions mentioned in the above paragraph for a period of 7 years from the day on which the relevant transaction occurred unless MMS notifies the record holder of an audit or investigation. When an audit or investigation is underway, records must be maintained until the record holder is released in writing from the obligation to maintain the records.

Lessor Point of Contact

Copies of all correspondence between Operator and Lessor should be kept on file by the Operator. Points of contact for the Lessor are as follows:

Lessor Program Coordinator:

Scheduling, Transportation, and Imbalance Issues:

Reporting Issues:

Electronic Funds Transfer:

Lessor acknowledges that you and the other Lessees have given proper notice hereunder whenever you communicate with Lessor using the e-mail address, fax number, or telephone number set forth above, provided any telephone communication regarding volumes is confirmed thereafter by fax or e-mail no later than 1 business day after telephone communication occurs. The Lessor further agrees to make arrangements to receive such communications regarding gas scheduling issues on a 7-day a week, 24-hour a day basis. Operators and Lessees should communicate with the above points of contact to answer any further questions.

The Paperwork Reduction Act requires us to inform you that the information being collected as a result of this letter is necessary to document details of royalty payments and sales of minerals from leases on Federal lands. We will use this information to maintain and audit lease accounts, and we estimate the burden for reporting electronically is more than 2 minutes per line. Comments on the accuracy of this burden or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, MMS, 1849 C Street, N.W., Washington, DC 20240 and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention: Desk Officer for the U.S. Department of the Interior, Washington, DC 20503. Proprietary information submitted to the U.S. Department of the Interior is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(b)(4)), and the Departmental Regulations (43 CFR 2). Storage of such information and access to it are controlled by strict security measures. An agency may not conduct or sponsor, and a

person is not required to respond to, a collection of information unless it displays a currently valid OMB number.

Sincerely,

Lucy Querques Denett
Associate Director for
Royalty Management

EXHIBIT
E

[illegible]